



SHIVA MILLS LIMITED

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

Telephone : 0422-2435555 Email : shares@shivamills.com Website : www.shivamills.com

CIN: L17111TZ2015PLC022007 GSTRN: 33AAXCS5170R1ZC

SML/SEC/300/SE/2022-23

20.7.2022

The Manager
Listing Department
National Stock Exchange of India Limited
"Exchange Plaza"
Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051

BSE Limited
Floor25
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Scrip Code: SHIVAMILLS

Scrip Code: 540961

Sir,

Sub: Filing of Annual Report for the year 2021-2022- Regulation 34(1) – reg.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we submit herewith the Annual Report of the Company for the financial year 2021 - 2022 along with the AGM Notice.

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

Please take on the record of the above.

Thanking you,

Yours faithfully,

For SHIVA MILLS LIMITED

**M SHYAMALA
COMPANY SECRETARY**

Encl: as above



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 7th Annual General Meeting of the Members of the Company will be held on Thursday the 25th August, 2022 at 11.00 A.M (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), 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, 2022, together with the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the Financial year ended 31st March, 2022.
3. To appoint a Director in the place of Sri S K Sundararaman, (DIN 00002691) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

RESOLVED that pursuant to the provisions of Section 196, 197, 198, 199, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provision(s) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and further pursuant to the recommendations of Nomination and Remuneration Committee, Sri S V Alagappan (DIN 00002450) be and is hereby re-appointed as Managing Director of the Company for a period of five years, i.e. with effect from 31.8.2022 to 30.8.2027 on his cessation of present term of office on 30.8.2022 upon the terms and conditions including the remuneration which shall be as follows:

1. REMUNERATION:

- **BASIC SALARY:** Rs.3,00,000/- (Rupees Three Lakhs only) per month
- **ALLOWANCES:** An amount not exceeding annual Basic Salary
- **COMMISSION:** 5% on the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013 (over and above the aforesaid salary and allowances).

2. PERQUISITES (not included in the above remuneration)

- Contribution to Provident Fund @ 12% on basic salary.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.



3. MINIMUM REMUNERATION

In the absence or inadequacy of profits in any financial year, Sri S V Alagappan, Managing Director (DIN 00002450) shall be paid the above remuneration, subject to the provisions of Section II of the Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER that approval of shareholders be and is hereby accorded in terms of Section 196(3) of the Companies Act, 2013, for continuation of appointment of Sri S V Alagappan (DIN 00002450) as Managing Director, who has attained the age of 70 years.

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

RESOLVED that pursuant to the provisions of Section 196, 197, 198, 199 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provision(s) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendations of Nomination and Remuneration Committee, Smt A Lalitha (DIN 00003688) be and is hereby re-appointed as Joint Managing Director of the Company for a period of five years, i.e. with effect from 31.8.2022 to 30.8.2027 on her cessation of present term of office on 30.8.2022 upon the terms and conditions including the remuneration which shall be as follows:

1. REMUNERATION:

- **BASIC SALARY:** Rs.3,00,000/- (Rupees Three Lakhs only) per month
- **ALLOWANCES:** An amount not exceeding annual Basic Salary
- **COMMISSION:** 5% on the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013 (over and above the aforesaid salary and allowances).

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

- Contribution to Provident Fund @ 12% on basic salary.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

3. MINIMUM REMUNERATION

In the absence or inadequacy of profits in any financial year, Smt A Lalitha, Joint Managing Director (DIN 00003688) shall be paid the above remuneration, subject to the provisions of Section II of the Part II of Schedule V of the Companies Act, 2013.

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

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16 (1)(b) and Regulation 17 (1A) of SEBI (Listing Obligations and



Disclosure Requirements) Regulations, 2015, Sri K N V Ramani, Director (DIN 00007931), aged 90 years in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who is eligible for appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years, from 31.8.2022 to 30.8.2027 and whose office shall not be liable to retire by rotation.

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

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16 (1)(b) and Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri S Palaniswami, Director (DIN 00007901), aged 78 years in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who is eligible for appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years, from 31.8.2022 to 30.8.2027 and whose office shall not be liable to retire by rotation.

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

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16 (1)(b) and Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri S Marusamy, Director (DIN 00610091), aged 77 years in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director and who is eligible for appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years, from 31.8.2022 to 30.8.2027 and whose office shall not be liable to retire by rotation.

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

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri C Sivasamy, Director (DIN 00002921), aged 65 years in respect of whom the Company has received a notice in writing from a member proposing his candidature for



the office of Director and who is eligible for appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five consecutive years, from 31.8.2022 to 30.8.2027 and whose office shall not be liable to retire by rotation.

10. To consider and if thought fit to pass with or without modification(s) 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 further pursuant to the recommendation of Audit Committee, the remuneration of Rs.1,00,000 (Rupees One Lakh only) (besides reimbursement of out of pocket expenses incurred by him for the purpose of Audit) payable to Sri M Nagarajan, Cost Auditor (Firm Registration No. 102133), as approved by the Board of Directors for conducting the audit of the Cost Records of the Company for the Financial Year ending 31st March, 2023 be and is hereby ratified and confirmed.

Coimbatore
25th May, 2022

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450



STATEMENT OF MATERIAL FACTS CONCERNING ITEMS OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM 4**

The present term of office of Sri S V Alagappan, Managing Director of the Company expires on 30.8.2022. He is associated with the Textile Industry for about 38 years. Under his stewardship, the Company has grown from strength to strength and has achieved the status of one of the most reputed companies in the Textile Industry. Considering the duties and responsibilities entrusted to him and the commendable performance achieved by the Company during his tenure of office, the Board of Directors have at their meeting held on 25.5.2022, subject to approval of members of the Company re-appointed Sri S V Alagappan as Managing Director for a further period of 5 years with effect from 31.8.2022 and also to fix the remuneration payable to him.

The aforesaid re-appointment and payment of remuneration were recommended by the Nomination and Remuneration Committee at its meeting held on 25.5.2022.

The Board of Directors are of the opinion that, despite his age, his continued guidance and direction are important for sustaining the development and his continued association would be beneficial for the future growth of the Company also.

Further information about the appointee as required to be furnished under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also annexed.

A copy of memorandum setting the terms and conditions of appointment of Managing Director is available at the Registered Office of the Company during business hours for inspection of members.

Approval of shareholders by Special Resolution is required for appointment of Sri S V Alagappan as Managing Director, pursuant to Section 196 (3) of the Companies Act, 2013, who has attained the age of 70 years. The Board recommended his appointment for approval of shareholders in compliance of Section 196 (3) of the Companies Act, 2013, considering his guidance and experience which would be important for the growth of the Company.

Further, the Board of Directors have recommended for payment of minimum remuneration in case of loss or inadequacy of profits for a period of 3 years of his tenure. The required information under Schedule V is attached to this statement.

The Board of Directors recommend the Special Resolution set out in this item of the notice for approval of members.

Necessary Special Resolutions are placed before the members for their approval.



Except Sri S V Alagappan, the appointee and Smt A Lalitha, as relative, none of the Directors and Key Managerial Personnel of the Company and their relative is concerned or interested financially or otherwise, in the resolution set out at Item No.4.

ITEM 5

Smt A Lalitha, Joint Managing Director of the company is associated with the Textile Industry/business nearly for 17 years. She was appointed as Joint Managing Director (Woman Director) of the Company for a period of 5 years with effect from 31.8.2017. Smt A Lalitha, a Commerce Graduate and she is also Executive Director of Shiva Automobiles Private Limited. The present term of office of Smt A Lalitha, Joint Managing Director of the Company expires on 30.8.2022. Considering the increase in the volume of business, duties and responsibilities the Board of Directors have proposed to re-appoint her as Joint Managing Director of the Company for a further period of 5 years with effect from 31.8.2022 and to fix the remuneration payable to Smt A Lalitha.

The aforesaid appointment and payment of remuneration were recommended by the Nomination and Remuneration committee at its meeting held on 25.5.2022.

The services rendered by Smt A Lalitha, Joint Managing Director for the sustainment and development of the Company over the tenure of office are commendable. The Board of Directors are of the opinion that, her continued association would be beneficial for the future growth of the Company and it is desirable to continue to avail services of Smt A Lalitha.

Accordingly, the Board recommends the resolution in relation to appointment of Smt A Lalitha as Joint Managing Director, for the approval by the shareholders of the Company.

Further information about the appointee as required to be furnished under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also annexed.

A copy of memorandum setting the terms and conditions of appointment of Joint Managing Director is available at the Registered Office of the Company during business hours for inspection of members.

Further, the Board of Directors have recommended for payment of minimum remuneration in case of loss or inadequacy of profits for a period of 3 years of his tenure. The required information under Schedule V is attached to this statement.

The Board of Directors recommend the Special Resolution set out in this item of the notice for approval of members.

Necessary Special Resolutions are placed before the members for their approval.

Except Smt A Lalitha, the appointee and Sri S V Alagappan, as relative, none of the Directors and Key Managerial Personnel of the Company and their relative is concerned or interested financially or otherwise, in the resolution set out at Item No.5.

ITEM 6

Sri K N V Ramani is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 31.8.2017. Sri K N V Ramani is the Chairman of Audit Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Sri K N V Ramani, aged 90 years is a Corporate Lawyer, who has nearly 63 years of specialisation in Companies Act, Taxation, Labour law etc., He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Approval in terms of Section 149, 150 and 152 and further approval under Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is sought for the appointment of Sri K N V Ramani, who has attained the age of 75, by way of the aforesaid Special Resolution and any other applicable provisions of the Companies Act, 2013, Sri K N V Ramani is proposed to be reappointed as an Independent Director for second term of five consecutive years from 31.8.2022 to 30.8.2027.

In the opinion of the Board, Sri K N V Ramani fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri K N V Ramani as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of beneficial to the Company and it is desirable to continue to avail services of Sri K N V Ramani as an Independent Director. The Board of Directors at its meeting held on 25.5.2022 on the recommendation of the Nomination and Remuneration Committee and on the basis of performance evaluation of Independent Directors, recommended the reappointment of Sri K N V Ramani as Independent Director of the Company for a second term of five years with effect from 31.8.2022 to 30.8.2027. Accordingly, the Board recommends the Special Resolution in relation to appointment of Sri K N V Ramani as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice in writing from the member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

Except Sri K N V Ramani, being an appointee, 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. 6.

ITEM 7

Sri S Palaniswami is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 31.8.2017. Sri S Palaniswami is a member of the Audit Committee and Chairman of Nomination and Remuneration Committee of the Board of Directors of the Company.

Sri S Palaniswami, aged 78 years has more than 43 years of experience in the field of vertical transportation elevators, escalators and allied products. He does not hold by himself or for any other person on a beneficial basis,



any shares in the Company. Approval in terms of Section 149, 150 and 152 and further approval under Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is sought for the appointment of Sri S Palaniswami, who has attained the age of 75, by way of the aforesaid Special Resolution and any other applicable provisions of the Companies Act, 2013, Sri S Palaniswami, is proposed to be reappointed as an Independent Director for second term of five consecutive years from 31.8.2022 to 30.8.2027.

In the opinion of the Board, Sri S Palaniswami fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri S Palaniswami as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of beneficial to the Company and it is desirable to continue to avail services of Sri S Palaniswami as an Independent Director. The Board of Directors at its meeting held on 25.5.2022 on the recommendation of the Nomination and Remuneration Committee and on the basis of performance evaluation of Independent Directors, recommended the reappointment of Sri S Palaniswami as Independent Director of the Company for a second term of five years with effect from 31.8.2022 to 30.8.2027. Accordingly, the Board recommends the Special Resolution in relation to appointment of Sri S Palaniswami as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice in writing from the member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

Except Sri S Palaniswami, being an appointee, 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.7.

ITEM 8

Sri S Marusamy is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 24.11.2015. Sri S Marusamy, was appointed as an Independent Director for five consecutive years for a term from 31.8.2017 to 30.8.2022.

Sri S Marusamy, aged 77 years has more than 41 years of experience in the field of agro processing and transport agency business. He is holding 4005 shares in the Company. Approval in terms of Section 149, 150 and 152 and further approval under Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is sought for the appointment of Sri S Marusamy, who has attained the age of 75, by way of the aforesaid Special Resolution and any other applicable provisions of the Companies Act, 2013, Sri S Marusamy, is proposed to be reappointed as an Independent Director for second term of five consecutive years from 31.8.2022 to 30.8.2027.



In the opinion of the Board, Sri S Marusamy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri S Marusamy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of beneficial to the Company and it is desirable to continue to avail services of Sri S Marusamy as an Independent Director. The Board of Directors at its meeting held on 25.5.2022 on the recommendation of the Nomination and Remuneration Committee and on the basis of performance evaluation of Independent Directors, recommended the reappointment of Sri S Marusamy as Independent Director of the Company for a second term of five years with effect from 31.8.2022 to 30.8.2027. Accordingly, the Board recommends the Special Resolution in relation to appointment of Sri S Marusamy as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice in writing from the member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

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, financially or otherwise, in the resolution set out at Item No. 8.

ITEM 9

Sri C Sivasamy is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 31.8.2017. Sri C Sivasamy, was appointed as an Independent Director for five consecutive years for a term from 31.8.2017 to 30.8.2022.

Sri C Sivasamy, aged 65 years has more than 42 years of experience in the field of Automobiles. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In the opinion of the Board, Sri C Sivasamy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri C Sivasamy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of beneficial to the Company and it is desirable to continue to avail services of Sri C Sivasamy as an Independent Director. The Board of Directors at its meeting held on 25.5.2022 on the recommendation of the Nomination and Remuneration Committee and on the basis of performance evaluation of Independent Directors, recommended the reappointment of Sri C Sivasamy as Independent Director of the Company for a second term of five years with effect from 31.8.2022 to 30.8.2027. Accordingly, the Board recommends the Special Resolution in relation to appointment of Sri C Sivasamy as an



Independent Director, for the approval by the shareholders of the Company. The Company has received a notice in writing from the member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

Except Sri C Sivasamy, being an appointee, 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. 9.

ITEM 10

The Board of Directors of the Company, on recommendation of the Audit Committee, approved the appointment and payment of remuneration to Sri M Nagarajan, Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2023.

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, 2023, 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.10.

Coimbatore
25th May, 2022

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450

Information pursuant to Clause (iv) of Section II of Schedule V is as follows:

I		General Information																	
1)	Nature of industry	Textile Manufacturing																	
2)	Date or expected date of commencement of commercial production	Not applicable, existing Company.																	
3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable																	
4)	Financial performance based on given indicators	Financial Year 2021-22 (Rs. in Lakhs) Gross Revenue : 21362.13 Profit after Tax : 1786.07 Rate of Dividend : 12% Earnings Per share: Rs.20.43																	
5)	Foreign investments or collaborators, if any.	The Company has not made any foreign investments or collaborators.																	
II. Information about appointees																			
No	Particulars	Sri S V Alagappan	Smt A Lalitha																
1)	Background details	<p>Sri S V Alagappan, holds B.Com., B.L., degree. He is associated with the Textile Industry for about four decades.</p> <p>Sri S V Alagappan occupies the position of Managing Director in the Company since 2017. Under his stewardship, the Company has grown from strength to strength and has achieved the status of one of the most reputed companies in the Textile Industry.</p>	<p>Smt A Lalitha, holds B.Com., degree. She is associated with the Textile Industry for about 17 years.</p> <p>Smt A Lalitha occupies the position of Joint Managing Director in the Company since 2017. Under her stewardship, the Company has grown from strength to strength and has achieved the status of one of the most reputed companies in the Textile Industry.</p>																
2)	Past remuneration	<table border="1"> <thead> <tr> <th>Year</th> <th>in Rs. Lakhs</th> </tr> </thead> <tbody> <tr> <td>2020-21</td> <td>68.00</td> </tr> <tr> <td>2019-20</td> <td>67.68</td> </tr> <tr> <td>2018-19</td> <td>67.68</td> </tr> </tbody> </table>	Year	in Rs. Lakhs	2020-21	68.00	2019-20	67.68	2018-19	67.68	<table border="1"> <thead> <tr> <th>Year</th> <th>in Rs. Lakhs</th> </tr> </thead> <tbody> <tr> <td>2020-21</td> <td>68.00</td> </tr> <tr> <td>2019-20</td> <td>67.68</td> </tr> <tr> <td>2018-19</td> <td>39.48</td> </tr> </tbody> </table>	Year	in Rs. Lakhs	2020-21	68.00	2019-20	67.68	2018-19	39.48
Year	in Rs. Lakhs																		
2020-21	68.00																		
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2018-19	67.68																		
Year	in Rs. Lakhs																		
2020-21	68.00																		
2019-20	67.68																		
2018-19	39.48																		
3)	Recognition or awards	-	-																
4)	Job profile and his suitability	He is the Managing Director of the Company and devotes whole time attention to the management of the day-to-day affairs of the Company subject to superintendence and guidance of Board of Directors.	She is the Joint Managing Director of the Company and devotes whole time attention to the management of the day-to-day affairs of the Company subject to superintendence and guidance of Board of Directors.																



No	Particulars	Sri S V Alagappan	Smt A Lalitha
5)	Remuneration proposed	Refer Resolution No.4	Refer Resolution No.5
6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized business.	Proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized business.
7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Does not have any pecuniary relationship with the Company except remuneration drawn as Managing Director	Does not have any pecuniary relationship with the Company except to the extent of remuneration drawn by her as Joint Managing Director
III Other information:			
1)	Reasons of loss or inadequate profits	As the textile market for yarn is highly volatile, the margin of profit widely fluctuate due to fluctuation in prices of raw material and selling prices and due to severe competition, the profit margin may become very thin. Unprecedented hike in cotton price both in domestic and international markets over last few months have hampered the textile sector business.	
2)	Steps taken or proposed to be taken for improvement	Focus on significant improvements in operating costs, cost control in all areas.	
3)	Expected increase in productivity and profits in measurable terms	Considering availability of cotton at increased price and decrease in demand of yarn may result in maintaining the production and sales level as in previous year.	

Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) and in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment / re-appointment

Name	Sri S V Alagappan	Smt A Lalitha	Sri S K Sundararaman
Age	80 Years	51 Years	49 Years
Qualification	B.Com., B.L	B.Com.,	MBBS., M.B.A
Experience, Skills and capabilities	He has more than 38 years of experience in Textile Industry. Sound knowledge on Company's business, policies, vision and mission, strengths, weakness, opportunities and threats of the Company's business operations.	She has nearly 17 years of experience in Textile Industry/business. Optimum level of utilization of skills and expertise for business decisions.	He is associated with the Textile Industry around two decades and holding MBA Degree from Cambridge University, United Kingdom, have wide experience in the field of Textile Technology. He is well known in the Textiles Industry for his innovative approach and development of new technical textile products. He has experience in Textile/Business expertise/professional skills/intellectual inputs in relation to Company's business
Terms and conditions of appointment or re-appointment	Terms of Appointment for 5 years with effect from 31.8.2022 to 30.8.2027	Terms of Appointment for 5 years with effect from 31.8.2022 to 30.8.2027	Retires by rotation and being eligible, offers himself for re-appointment.
Last drawn remuneration (2021-2022)	Rs. 1,30,00,000	Rs. 1,30,00,000	Not Applicable
Date of first appointment on the Board	24.11.2015	31.8.2017	24.11.2015
No. of shares held	21,780	2,13,680	Nil
Relationship with Directors, Managers and KMP	Father of Smt A Lalitha, Joint Managing Director	Daughter of Sri S V Alagappan, Managing Director	Nil
No. of Board Meetings attended during 2021-2022	5 out of 5 meetings held.	5 out of 5 meetings held.	5 out of 5 meetings held.
Other Directorship	Shiva Texyarn Limited Vadivelan Agencies Private Limited Anamallais Cars Private Limited Annammallai Retreading Company Private Limited Bannari Amman Automobiles Private Limited Shiva Automobiles Private Limited Vadivelan Enterprises Private Limited	Vadivelan Agencies Private Limited Anamallais Cars Private Limited Annammallai Retreading Company Private Limited Bannari Amman Automobiles Private Limited Shiva Automobiles Private Limited Vadivelan Enterprises Private Limited	Shiva Texyarn Limited Shanthi Gears Limited Pricol Limited SKS Agencies Limited Vedanayagam Hospital Private Limited Abirami Ecoplast Private Limited Sundar Ram Enterprise Private Limited L K Distributors Private Limited Abirami Distributors Private Limited Firebird Entrepreneurial Ventures Private Limited Confederation of Indian Textile Industry The Southern India Mills Association The SIMA Cotton Development & Research Association Srirangalakshmi Agro Private Limited



Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) and in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment / re-appointment

Name	Sri S V Alagappan	Smt A Lalitha	Sri S K Sundararaman
Member of Committee	Nil	Stakeholders Relationship Committee	Audit Committee - Member Nomination and Remuneration Committee - Member Stakeholders Relationship Committee - Member
Chairman/Member of the Committees of the Boards of other Companies	Shiva Texyarn Limited Stakeholders Relationship Committee - Chairman	Nil	Shiva Texyarn Limited Audit Committee - Member Stakeholders Relationship Committee - Member Shanthi Gears Limited Audit Committee - Member Nomination and Remuneration Committee - Member Pricol Limited Audit Committee - Member Stakeholders Relationship Committee - Member
Listed entities from which resigned in the past three years	Nil	Nil	Nil



Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) and in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment/ re-appointment

Name	Sri K N V Ramani	Sri S Palaniswami	Sri S Marusamy	Sri C Sivasamy
Age	90 Years	78 Years	77 Years	65 Years
Qualification	M.A., B.L.,	B.E Electrical Engineering	-	Diploma in Mechanical Engineering
Experience, Skills and capabilities	He has more than 63 years of specialization in Companies Act, Taxation, Labour Law etc., Sound knowledge on Company's business, policies, vision and mission, strength, weakness, opportunities and threats of the Company's business operations and Corporate Governance/ Compliance Management/ Legal Advisory Expertise / profession skills/ intellectual inputs in relation to Company's business.	He has more than 43 years of experience in the field of vertical transportation elevators, escalators and allied products, General administration	He has more than 41 years of experience in the field of agro processing and transport agency business. General administration	He has more than 42 years of experience in the field of Auto mobiles. General administration.
Terms and conditions of appointment or re-appointment	Second term of Appointment for 5 years with effect from 31.8.2022 to 30.8.2027	Second term of Appointment for 5 years with effect from 31.8.2022 to 30.8.2027	Second term of Appointment for 5 years with effect from 31.8.2022 to 30.8.2027	Second term of Appointment for 5 years with effect from 31.8.2022 to 30.8.2027
Last drawn remuneration (2021-2022)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Date of first appointment on the Board	31.8.2017	31.8.2017	24.11.2015	31.8.2017
No. of shares held	Nil	Nil	4,005	Nil
Relationship with Directors, Managers and KMP	Nil	Nil	Nil	Nil
No. of Board Meetings attended during 2021-2022	5 out of 5 meetings held	5 out of 5 meetings held	5 out of 5 meetings held	5 out of 5 meetings held



Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) and in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment / re-appointment

Name	Sri K N V Ramani	Sri S Palaniswami	Sri S Marusamy	Sri C Sivasamy
Other Directorship	Bannari Amman Spinning Mills Limited Shiva Texyarn Limited K P R Mill Limited	Bannari Amman Spinning Mills Limited	Shiva Texyarn Limited	Annamallai Infrastructures Private Limited Bannari Amman Food Products Private Limited Kerala Alcoholic Products Private Limited Shiva Cargo Movers Private Limited Anamallais Cars Private Limited Annamallai Retreading Company Private Limited Bannari Amman Automobiles Private Limited Shiva Automobiles Private Limited Shiva Distilleries Private Limited Vedanayagam Enterprises Private Limited Skanda Distributors Private Limited
Member of Committee	Audit Committee - Chairman Stakeholders Relationship Committee - Chairman	Audit Committee - Member Nomination and Remuneration Committee - Chairman	Nil	Nil
Chairman/Member of the Committees of the Boards of other Companies	Bannari Amman Spinning Mills Limited Audit Committee - Chairman Shiva Texyarn Limited Audit Committee - Chairman	Bannari Amman Spinning Mills Limited Audit Committee - Member Nomination and Remuneration Committee - Member Stakeholders Relationship Committee - Chairman	Shiva Texyarn Limited Stakeholders Relationship Committee - Member	Nil
Listed entities from which resigned in the past three years	K G Denim Limited - resigned on 31.3.2022 LGB Forge Limited - resigned on 5.9.2021	Shiva Texyarn Limited - resigned on 25.8.2019	Nil	Nil

**Notes:**

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, 2/2022 dated May 5, 2022, and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, 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.

- 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.
- 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@shivamills.com and to its RTA at info@skdc-consultants.com.
- Members are requested to submit the questions in advance on the e-mail address shares@shivamills.com.
- As per MCA General Circular No. 20/2020 dated May 5, 2020 and 2/2022 dated May 5, 2022 and SEBI circular No. SEBI / HO/ CFD/CMD2 /CIR/ P//2022/62 dated May 13,2022 dispatching of physical copies of the financial statements (including Boards 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.
- 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.
- All the resolutions will be passed through the facility of e-voting system only.
- 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 4 to 10 of the Agenda are annexed hereto.
- The Register of members and the share transfer books of the company will remain closed from 19.8.2022 to 25.8.2022 (both days are inclusive). The dividend as recommended by the Board, if approved at the Annual General Meeting will be paid to the shareholders subject to deduction of tax at source, whose names appear in the Register of members as on 18.8.2022 in respect of shares held in physical form and in respect of shares held in DEMAT form dividend shall be paid on the basis of the beneficial ownership as per



the details furnished by the Depositories for this purpose at the end of the business hours on 18.8.2022.

- Pursuant to the Finance Act 2020, dividend income will be taxable in the hands of members w.e.f. 1st April 2020 and the Company is required to deduct tax at source from dividend paid to members at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their PAN with Registrars & Share Transfer Agents, SKDC Consultants Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A resident individual shareholder with PAN and whose dividend is likely to exceed Rs. 5,000 and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to green@skdc-consultants.com on or before the end of the business hours of 18.8.2022. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a highest rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, any other document which may be required to avail the tax treaty benefits by sending an e-mail to green@skdc-consultants.com. The above declarations and documents need to be submitted by the members on or before the end of business hours of 18.8.2022.

- As per the provisions of Section 206AB of the Income Tax Act, 1961, the verification as required under the section will be done by the Company from the Income Tax portal and applicable tax will be deducted.
- Previous year figures are given in brackets for the purpose of comparison.
- Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection through electronic mode only.
- 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. Please note that the voting through electronic means is optional for the members.
- The voting through electronic means will commence on 22.8.2022 at 10.00 A.M (IST) and will end on 24.8.2022 at 5.00 P.M. (IST) 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 18.8.2022 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 the following instructions to be followed:

- Shareholders holding shares in physical mode are requested to communicate their change of postal address (enclose copy of Aadhar Card), e-mail address if any, self-attested copy of PAN Card and bank account details (enclose cancelled cheque leaf) quoting their folio nos. to the Registrar and Share Transfer Agents M/s. SKDC Consultants Limited, 'Surya' 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028
 - 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 2021-22 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 and May 13, 2022. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-22 will also be available on the Company's website www.shivamills.com; websites of the Stock Exchanges i.e., National Stock Exchange of India Ltd and BSE Limited at www.nseindia.com and www.bseindia.com respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
 16. The Company has appointed Sri 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:

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

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

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

I. Individual Shareholders holding securities in demat mode with NSDL

1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.



2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nSDL.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nSDL.com> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

II. Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi/Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

- III. Individual Shareholders (holding securities in demat mode) login through their depository participants You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

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

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



2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:-
 - A. **User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company.
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- ▶ Click "confirm" (Your password is now generated).

3. Click on 'Login' under 'SHARE HOLDER' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

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



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

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

Helpdesk for Individual Shareholders holding securities in demat mode:

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

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

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

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

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

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

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

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

Shareholders who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned depository / depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders / members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.



- During the voting period, shareholders / members can login any number of time till they have voted on the resolution(s) for a particular "Event".

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

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

- Select the "Company" and 'Event Date' and register with your following details: -
 - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.: Enter your mobile number.
 - D. Email ID: Enter your email id, as recorded with your DP/Company.
- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

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

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

1. Shareholders who would like to speak during the meeting must register by sending their request mentioning the name, demat account number / folio number and PAN at shares@shivamills.com from 21.8.2022 at 10.00 AM to 23.8.2022 at 5.00 PM with the company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

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



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

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

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

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

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

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

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

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

Coimbatore
25th May, 2022

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450



SHIVA MILLS LIMITED



**7th ANNUAL REPORT
2022**

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**BOARD OF DIRECTORS**

Sri S V Alagappan	Chairman and Managing Director
Smt A Lalitha	Joint Managing Director
Sri S K Sundararaman	Non Independent Director
Sri K N V Ramani	Independent Director
Sri S Palaniswami	Independent Director
Sri C Sivasamy	Independent Director
Sri S Marusamy	Independent Director

CHIEF FINANCIAL OFFICER

Sri M Shanmugam

COMPANY SECRETARY

Smt M Shyamala

AUDITORS

M/s. V K S Aiyer & Co.
Chartered Accountants
Coimbatore - 641 011

INTERNAL AUDITORS

M/s B M & Associates
Chartered Accountants
Coimbatore - 641 044

COST AUDITOR

Sri M Nagarajan
Cost Auditor
Coimbatore - 641 018

BANKERS

Indian Overseas Bank
Bank of Baroda
Canara Bank
ICICI Bank Ltd

REGISTERED OFFICE

252, Mettupalayam Road
Coimbatore - 641 043. Tamilnadu
Phone : 91-422-2435555
E-mail : shares@shivamills.com
Website : www.shivamills.com
CIN : L17111TZ2015PLC022007

**SHARE TRANSFER AGENT
SKDC Consultants Limited**

'Surya' 35, May Flower Avenue
Behind Senthil Nagar
Sowripalayam Road,
Coimbatore - 641 028



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 7th Annual Report together with Audited Financial Statements of the Company for the year ended 31st March, 2022. The Financial Results are summarized and given below

₹ in Lakhs

Financial Results	2021 - 22	2020 - 21
Total Income	21362.13	13921.35
Profit before Interest and Depreciation	3115.83	2043.63
Less: Interest	94.35	253.68
Profit before Depreciation	3021.47	1789.95
Less: Depreciation	571.07	568.27
Profit before Tax	2450.41	1221.68
Less: Provision for Income Tax		
- Current Tax	705.70	373.27
- Prior Year Tax	31.32	-
- Deferred Tax Liability (Net) written back	(52.47)	(7.00)
Profit after Tax	1765.86	855.41
Other Comprehensive income	20.21	(16.07)
Total Comprehensive Income/ (Loss) for the year	1786.07	839.34

DIVIDEND

Your Directors are happy to recommend payment of higher dividend at the rate of 12% (last year 10%) on the paid up equity Share Capital of Rs.10/- each fully paid up, to the equity shareholders, subject to deduction of tax at source wherever applicable. This translates into payment of dividend at the rate of Rs.1.20 per Equity Shares of Rs.10/- each (last year Rs.1/- per Share of Rs.10/- each)

PRESENTATION OF FINANCIAL STATEMENTS

The Financial Statements for the year ended 31.3.2022 have been prepared in accordance with the Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

REVIEW OF OPERATIONS

During the year under review, the Spinning Unit produced 6514.85 tonnes (5692.36 tonnes) of cotton yarn and 1918.25 tonnes (1551.75 tonnes) of waste cotton. The Spinning unit sold 6469.61 tonnes (5881.65 tonnes) of cotton yarn and sold 1875.41 tonnes (1538.38 tonnes) of waste cotton.

The Wind Mills with aggregate installed capacity of 10.65 MW generated 157.82 lakh units (150.53 lakh units) of Wind Electricity during the year. There has been increase in wind power generation by 4.84 % as compared with previous year generation.



The power generated by the wind mills were utilized for captive consumption at the textile mill, except a small, banked quantity of 1.35 Lakhs units, which got adjusted as sales to TANGEDCO. The power produced in the financial year 2019-20, which could not be consumed by the Textile Division due to Covid-19 Pandemic, also got adjusted as sales to TANGEDCO. Consequently the value of windpower sold to TANGEDCO and included in other income amounts to Rs.12.48 Lakhs.

The overall sales turnover of the Company aggregated to Rs. 21,213.87 Lakhs (13,826.99 Lakhs).

IMPACT OF COVID-19 IN THE BUSINESS OF THE COMPANY

In view of Covid pandemic and lock down announced by Govt of Tamil Nadu, the Company had suspended operation from 24.5.2021 to 30.5.2021. The Company resumed operation with 50% capacity from 31.5.2021 to 20.6.2021 and thereafter resumed regular operation, adhering to the standard operating procedures prescribed by the Government of Tamilnadu, ensuring safety and health of all stakeholders including employees, from Covid-19 Pandemic.

During the year under review the Company's operation has not been significantly affected due to Covid-19 pandemic.

PROSPECTS FOR THE CURRENT YEAR

The annual performance of the Company for the current year depends on availability of quality cotton at a reasonably stable price and ability of the market for yarn to absorb the price increases in tantum with increase in cotton prices, hike in interest rates by Bankers on Working Capital facility and inflationary pressure on all other inputs.

The Company is implementing a modernization programme in the Spinning Unit at an estimated capital expenditure of Rs.1500.00 Lakhs proposed to be funded by internal cash accruals and not resorting to any borrowings.

EVENT SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There were no material changes and commitments affecting the financial position of the Company subsequent to the end of the financial year.

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016. There was no instance of one-time settlement with any Bank or Financial Institution.

PUBLIC DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. The Company has no public deposits outstanding at the beginning and at the end of the year.

COMPANY BECOMES SUBSIDIARY

The Company has become subsidiary of M/s Annamalai Retreading Company Private Limited, Promoter Company, with effect from 21.2.2022, consequent to the inter-se transfer of 42,03,546 equity shares of Rs.10/- each i.e., 48.64% from M/s Vedanayagam Hospital Private Limited, another Promoter Company, thereby constituting 72.17% in aggregate of the Paid-up Share Capital of the Company.



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 a Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

ANNUAL RETURN

Pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013, Annual Return for Financial Year ended on 31st March, 2022, is posted on the website of the Company viz., www.shivamills.com

DIRECTORS

Sri S K Sundararaman, Director (DIN 00002691) will retire by rotation at the ensuing Annual General Meeting; he is eligible and seeks re-appointment.

Sri K N V Ramani (DIN 00007931), Sri S Palaniswami (DIN 00007901), Sri S Marusamy (DIN 00610091) and Sri C Sivasamy (DIN 00002921) are proposed to be re-appointed as Independent Directors for second term of 5 consecutive years from 31.8.2022 to 30.8.2027 and whose office shall not be liable to retire by rotation.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, 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 has been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI /Ministry of Corporate Affairs or any such statutory authority.

KEY MANAGERIAL PERSONNEL

Key Managerial Personnel of the Company are as below:

Name of the persons	Designation
Sri S V Alagappan	Managing Director
Sri M Shanmugam	Chief Financial Officer
Smt M Shyamala	Company Secretary



AUDIT COMMITTEE

The Audit Committee comprises of

Sri K N V Ramani	-	Independent Director/Chairman
Sri S K Sundararaman	-	Non-Executive Non-Independent Director
Sri S Palaniswami	-	Independent Director

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

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, the evaluation of Independent Directors are done by the entire Board of Directors including performance and fulfilment of independence criteria specified in the Regulation and their independence from the Management. 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 performance of Board and of individual Directors as well as the Committees of Directors. The evaluation has been conducted internally in the manner prescribed by Nomination and Remuneration Committee.

BOARD MEETINGS

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

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 behavior, 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: www.shivamills.com

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

- a) 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
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and



- c) 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 the related party transactions that were entered into during the financial year in the ordinary course of business and the prices were at arm's length basis. Hence, the provisions of Section 188 (1) of the Companies Act, 2013 are not attracted. Further no materially significant related party transactions were entered by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Approval of Audit Committee was obtained for transactions of repetitive nature on annual basis. All related party transactions are placed before the Audit Committee for approval and Board of Directors for their review. The policy on Related Party Transactions is available in the website www.shivamills.com

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

Disclosure of these Transactions in form AOC-2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out below:

Form AOC - 2

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

- | | | |
|---|---|-----|
| 1. Details of contracts or arrangements or transactions not at arm's length basis | : | Nil |
| 2. Details of material contracts or arrangement or transactions at arm's length basis | : | Nil |

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

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 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.

AUDITORS

The present Auditors of the Company M/s VKS Aiyer & Co., Chartered Accountants, Coimbatore (Firm Registration No: 000066S), were appointed for a term of 5 years, pursuant to the resolution passed by the members at the Annual General Meeting held on 20th September, 2021. Pursuant to Section 40 of the Companies (Amendment) Act, 2017, the proviso to Section 139 (1) relating to ratification of appointment of Auditors every year has been omitted. Accordingly, the term of office of present Auditors will be continued without requirement of ratification.

Auditor's Report for the year 2021-2022 does not contain any qualification, reservation or adverse remarks requiring any comments by the Board of Directors.

DETAILS OF FRAUDS REPORTED BY AUDITORS

There were no frauds reported by the Statutory Auditors under 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 annexed herewith as **Annexure - I**

The report does not contain any qualification, reservation or adverse remark.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time.

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, has re-appointed Sri M Nagarajan, Cost Accountant, Coimbatore as Cost Auditor to conduct Cost Audit of the Company for the financial year 2022-2023. The Company has maintained such accounts and cost records as required under Section 148 (1) of the Companies Act, 2013.



JOINT VENTURE, ASSOCIATE AND SUBSIDIARIES

The Company does not have Joint Venture, Associate and Subsidiaries as per Rule 6 of the Companies (Accounts) Rules, 2014. Hence, no reporting of the same in Form AOC -1 has been made.

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 and Managing Director of the Company.

Based on the report of Internal Auditors, 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.

STATEMENT ON RISK MANAGEMENT POLICY

The Company has developed a Risk Management Policy and implemented the same. At present the Company has not identified any element of risk which may be of threat to the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility Committee which shall recommend to the Board, the activities to be undertaken by the Company as specified in Schedule VII, 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. Annual Report on CSR activities and its related particulars are enclosed as **Annexure II**. The Committee consists of the following Directors

1. Sri S V Alagappan - Managing Director
2. Smt A Lalitha - Joint Managing Director
3. Sri S Palaniswami - Independent Director

The Company has amended and adopted the CSR Policy on 6.2.2021 in line with the CSR Rules as amended by Ministry of Corporate Affairs.

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 2022 relating to Conservation of Energy, etc., is enclosed as **Annexure III**.



- II. **Remuneration of Directors and other details** - The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2022 is provided in **Annexure IV**.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year under review the human relations continued to be very cordial.

The Company has an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, and an Internal Complaints Committee (ICC) has been constituted to redress complaints of sexual harassment as provided therein. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

a.	No.of complaints filed during the financial year	2021-22	Nil
b.	No.of complaints disposed off during the financial year	2021-22	Nil
c.	No.of complaints pending as on end of financial year	2021-22	Nil

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks the financial assistance extended by the Bankers for providing the required credit facilities to the company. Your Directors wish to place on record their appreciation of the contributions made by the employees at all levels for the excellent performance of your company.

Coimbatore
25th May, 2022

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450



ANNEXURE - I

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022)

[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 MILLS LIMITED
(CIN: L17111TZ2015PLC022007)
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 MILLS 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, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SHIVA MILLS LIMITED ("the Company") for the financial year ended on 31st March 2022) ('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
 - 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
25th May, 2022

R Dhanasekaran
Company Secretary in Practice
FCS 7070/ CP 7745
ICSI UDIN: F007070D000382984



ANNEXURE II

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 9.10.2017 and amended CSR Policy was adopted on 6.2.2021

Present activities :

Actively involved in promotion of education particularly in rural areas.

Future Focus:

Education along with health and sanitation will be the prime concern areas.

2. Constitution of CSR Committee

S.No	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sri S V Alagappan	Chairman & Managing Director	3	3
2.	Smt A Lalitha	Joint Managing Director	3	3
3.	Sri S Palaniswami	Independent Director	3	3

3. Provide the web link where composition of CSR Committee, CSR policy and CSR Projects approved by the Board are disclosed on the website of the company : <http://www.shivamills.com/shares/policies>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). : Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S.No	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	2020-2021	6,467	6,467



6. Average net profit of the company as per section 135(5). : Rs. 7,10,72,340/-
7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 14,21,447/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : -
- (c) Amount required to be set off for the financial year, if any : Rs.6,467/-
- (d) Total CSR obligation for the financial year (7a+7b-7c). 14,14,980/-
8. (a) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
15,50,000/-	- Nil -				

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

Sl.No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) in Rs.	Mode of Implementation – Direct Yes/No.	Mode of Implementation -Through Implementing Agency	
				State	District					Name	CSR Registration number.
- Nil -											

- (c) Details of CSR amount spent against other than on going projects for the financial year :

SL. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
1)	Contribution for COVID 19 disaster management	(ii)	Yes	Tamilnadu	Dindigul	1,50,000	Yes	The District Collector, Dindigul	-
2)	Promoting education in rural areas	(ii)	Yes	Tamilnadu	Thiruchirappalli	14,00,000	No	Sri Ramakrishna Tapovanam, Thiruchirappalli	CSR00006324



- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Nil
- (f) Total amount spent for the Financial Year : Rs. 15,50,000/-
(8b+8c+8d+8e)
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	14,21,447
(ii)	Total amount spent for the Financial Year	15,56,467*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,35,020
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,35,020

* including amount of Rs.6,467/- excess spent in previous financial year 2020-21.

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

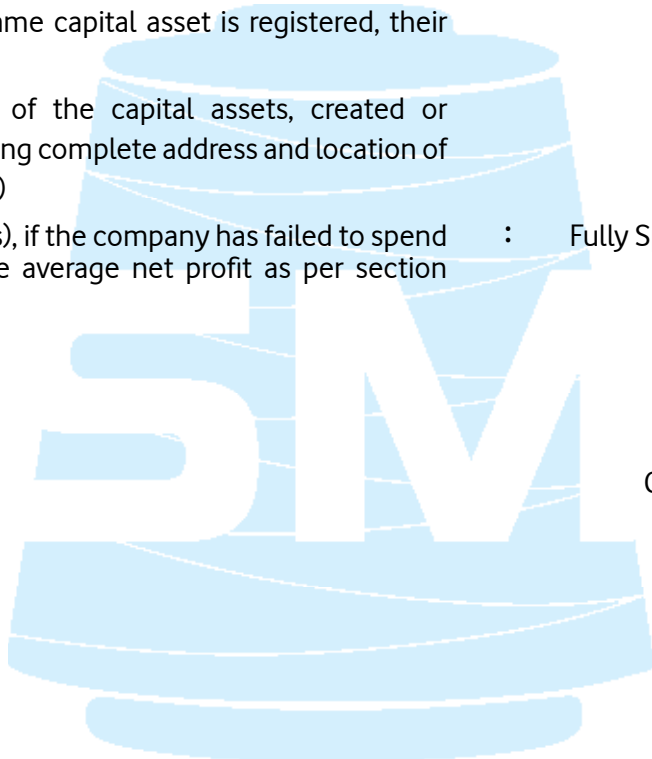
Sl.No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial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

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

Sl.No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project – Completed /Ongoing
- Nil -								



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) : Nil
- (a) Date of creation or acquisition of the capital asset(s) : Nil
- (b) Amount of CSR spent for creation or acquisition of capital asset. : Nil
- (c) Details of the entity or public authority or beneficiary under whose name capital asset is registered, their address etc,
- (d) Provide details of the capital assets, created or acquired (including complete address and location of the capital asset)
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : Fully Spent



S V ALAGAPPAN
Chairman of CSR Committee
and Managing Director
DIN 00002450



ANNEXURE - III

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

The information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2022 is given here below and forms part of the Directors' Report

A) CONSERVATION OF ENERGY
(i) Steps taken or impact on conservation of energy;

- Use of LED lights for street lights, blowroom, preparatory and Autoconer for power saving.
- Energy Saving due to Spinning Frame Compact CDS Conversion.
- Energy audit and conservation measures are adopted continuously.

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

During the year, the Company utilised 146.99 lakhs units of power generated through windmills.

(iii) Capital investment on energy conservation equipment;

Investment for reduction of consumption of energy are being made after careful evaluation of each proposal.

B) TECHNOLOGY ABSORPTION
(i) the efforts made towards technology absorption;

The Company continuously monitors the technology evolving in energy conservation measures and adopts the one which suits the Company's requirements

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

With the measures adopted by the company, there is substantial saving in energy consumption thereby reduction in cost of production.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Not applicable.

(iv) the expenditure incurred on Research and Development : Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review foreign exchange earnings were Rs. Nil (Rs.111.84 lakhs). Foreign exchange outgo was Rs.106.04 lakhs (Rs. 17.39 lakhs)

Coimbatore
25th May, 2022

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450



ANNEXURE IV

Disclosure in the Board’s Report on remuneration of Directors etc.,

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 2021 -22

Director’s Name	Ratio
Sri S V Alagappan, Managing Director	125.31:1
Smt A Lalitha, Joint Managing Director	125.31:1

- (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 2021-22 compared to 2020-21

Director’s Name/CS/CFO	% increase in remuneration
Sri S V Alagappan, Managing Director	47.69%
Smt A Lalitha, Joint Managing Director	47.69%
Smt M Shyamala, Company Secretary	7.69%
Sri M Shanmugam, Chief Financial Officer	10.20%

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

- (iii) Percentage increase in the median remuneration of employees in the Financial year 2021-22 8.02 %
- (iv) Number of permanent employees on the rolls of the Company 736
- (v) 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 1.45%

The percentile increase granted to managerial personnel is : 79.00%

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.

- (vi) Particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:


Particulars of Top Ten Employees in terms of remuneration drawn as required under Rule 5(2):

Name (Age in years)	Designation	Gross Remuneration (in Rs.)	Qualification	Date of Commencement of employment (experience in years)	Previous Employment
Sri S V Alagappan (80)	Chairman and Managing Director	1,30,00,000	B. Com., B.L.,	10.7.1989 (38)	Shiva Texyarn Limited
Smt A Lalitha(52)	Joint Managing Director	1,30,00,000	B. Com	1.4.2010 (16)	Shiva Texyarn Limited
Sri M Shanmugam (72)	Chief Financial Officer	15,30,963	B.Com., FCA	1.4.2018 (4)	Shiva Distilleries Limited
Sri V A Om Prakash Babu (52)	General Manager	15,40,369	DTT	28.3.2019 (3)	Natural Tex Yarn Private Limited
Sri J Senthil Kumar (52)	General Manager Marketing	14,97,620	B.Sc., MBA	1.7.2019 (3)	Bannari Amman Spinning Mills Limited
Sri M Shyamala (40)	Company Secretary	12,19,200	M.Com., ACS	18.1.2010 (12)	Shiva Texyarn Limited
Sri R Selvaraj (40)	GM (Accounts & Finance)	13,04,563	M.Com., ACA	18.5.2018 (4)	Indsil Energy and Electro chemicals Limited
Sri S Manikandan (54)	Factory Manager	9,47,566	DTT	20.5.2015 (7)	Ayyanar Spinning Mills
Sri C Bose (59)	Senior Genset Engineer	8,59,781	DME	1.10.2017 (8)	GHCL
Sri J Sahayaraj (52)	Senior Electrical Engineer	7,90,471	DECE	1.5.2000 (22)	Madura Coats

None of the employees, listed in the said Annexure is related excepting Sri S V Alagappan and Smt A Lalitha. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company except Smt A Lalitha. The appointment of all the above employees are contractual in nature.

By Order of the Board

S V ALAGAPPAN

CHAIRMAN AND MANAGING DIRECTOR

DIN 00002450

Coimbatore
25th May, 2022



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, reporting system and in all the interactions with its stakeholders.

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

BOARD OF DIRECTORS

The Board comprises of 7 Directors viz., 2 Executive Directors including a Woman Director, 1 Non-Executive non Independent Director and 4 Non-Executive Independent Directors.

Sl.No	Name of the Director	Category	Number of Directorships held in other Companies*	Number of Board Committee Membership held in other Companies**	
				Chairman	Member
1.	Sri S V Alagappan	Executive	1	1	-
2.	Smt A Lalitha	Executive	-	-	-
3.	Sri S K Sundararaman	Non-Executive Non-Independent	4	-	5
4.	Sri K N V Ramani	Non-Executive - Independent	3	2	-
5.	Sri S Palaniswami	Non-Executive - Independent	1	1	1
6.	Sri C Sivasamy	Non-Executive - Independent	-	-	-
7.	Sri S Marusamy	Non-Executive - Independent	1	-	1

Sri S V Alagappan and Smt A Lalitha are related as father and daughter

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

** For the purpose of determination of limit, only Committees referred 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) Regulations, 2015.

S.No	Name of the Directors	Name of the Listed Entities holding Directorships	Category of Directorships	No. of shares held
1.	Sri S V Alagappan	Shiva Texyarn Ltd	Chairman	-
		Shiva Mills Ltd	Chairman & Managing Director	21,780
2.	Smt A Lalitha	Shiva Mills Limited	Joint Managing Director	2,13,680
3.	Sri S K Sundararaman	Shiva Texyarn Ltd	Managing Director	50,760
		Shiva Mills Ltd	Non-Independent Director	-
		Pricol Ltd	Independent Director	-
		Shanthi Gears Ltd	Independent Director	-
4.	Sri K N V Ramani	Bannari Amman Spinning Mills Ltd	Independent Director	-
		Shiva Texyarn Ltd	Independent Director	-
		Shiva Mills Ltd	Independent Director	-
		K.P.R Mills Ltd	Independent Director	-
5.	Sri S Palaniswami	Bannari Amman Spinning Mills Limited	Independent Director	769
		Shiva Mills Limited	Independent Director	-
6.	Sri C Sivasamy	Shiva Mills Limited	Independent Director	-
7.	Sri S Marusamy	Shiva Texyarn Ltd	Independent Director	4,383
		Shiva Mills Ltd	Independent Director	4,005

The non-Executive Independent Directors fulfill the conditions laid down for appointment /re-appointment as Independent Directors as specified in Section 149 of the Companies Act, 2013 and rules made thereunder and Regulation 25 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment/re-appointment has been issued and a copy of the same is posted on the website of the Company viz., www.shivamills.com

BOARD MEETINGS AND ANNUAL GENERAL MEETING

During the financial year, 5 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 8.5.2021, 23.6.2021, 11.8.2021, 13.11.2021 and 9.2.2022. The interval between the two Meetings were well within the maximum period prescribed under the Companies Act, 2013 and Regulation 17 (2) of the SEBI (LODR) Regulations, 2015.

The Board is given all the 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 20.9.2021) are furnished here below:



Name of the Director	Number of Board Meetings held during the year or after appointment as Director	Number of Board Meetings attended	Last AGM attended Yes/No
Sri S V Alagappan (DIN 00002450)	5	5	Yes
Smt A Lalitha (DIN 00003688)	5	5	Yes
Sri S K Sundararaman (DIN 00002691)	5	5	Yes
Sri K N V Ramani (DIN 00007931)	5	5	Yes
Sri S Palaniswami (DIN 00007901)	5	5	Yes
Sri C Sivasamy (DIN 00002921)	5	5	Yes
Sri S Marusamy (DIN 00610091)	5	5	Yes

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 to understand the Company's operations, products and events relating to the Company.

CHART SETTING OUT THE SKILLS OF THE BOARD OF DIRECTORS

Board of Directors	Age	Date of appointment	Qualification	Skills
Sri S V Alagappan	80	24.11.2015	B.Com., B.L	He has more than 38 years of experience in Textile Industry. Sound knowledge on Company's business, policies, vision and mission, strengths, weakness, opportunities and threats of the Company's business operations.
Smt A Lalitha	52	31.8.2017	B.Com.,	She has nearly 17 years of experience in Industry/ Business. Optimum level of utilization of skills and expertise for business decisions.
Sri S K Sundararaman	49	24.11.2015	MBA.,	He has more than 23 years of experience in Textile/ Business Expertise/professional skills/intellectual inputs in relation to Company's business
Sri K N V Ramani	90	31.8.2017	M.A., B.L	He has more than 63 years of specialization in Companies Act, Taxation, Labour Law etc., Sound knowledge on Company's business, policies, vision and mission, strengths, weakness, opportunities and threats of the Company's business operations Corporate Governance/ Compliance Management / Legal Advisory Expertise/profession skills/intellectual inputs in relation to Company's business.



Board of Directors	Age	Date of appointment	Qualification	Skills
Sri S Palaniswami	79	31.8.2017	B.E Electrical Engineering	He has more than 43 years of experience in the field of Vertical Transportation Elevators, Escalators and allied products. General administration.
Sri C Sivasamy	65	31.8.2017	Diploma in Mechanical Engineering.	He has more than 42 years of experience in the field of Automobiles. General administration
Sri S Marusamy	77	24.11.2015	-	He has more than 41 years of experience in agro processing and transport agency business. General administration

CODE OF CONDUCT

The Company has adopted the code of conduct for all Board Members and Senior Management as required under Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The code is posted on the company's website at www.shivamills.com. 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.

AUDIT COMMITTEE

The Audit Committee consists of following Directors:

SL.No	Name	Position	No of Meetings Attended
1.	Sri K N V Ramani	Chairman - Independent	5
2.	Sri S K Sundararaman	Member - Non-Executive Non - Independent	5
3.	Sri S Palaniswami	Member - Independent	5

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) Review 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; and
 - vii. modified opinions in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - g) Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
 - h) Approval or any subsequent modification of transactions of the company with related parties;
 - i) Scrutiny of inter-corporate loans and investments;
 - j) Valuation of undertakings or assets of the company, wherever it is necessary;
 - k) Evaluation of internal financial controls and risk management systems;
 - l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - n) Discussion with Internal Auditors of any significant findings and follow up thereon;
 - 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 Chief Financial Officer (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.
- u) To Review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments existing as on the date of coming into force of this provision.
- v) The Audit Committee shall mandatorily review the following information:
- 1) management discussion and analysis of financial condition and results of operations;
 - 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - 4) internal audit reports relating to internal control weaknesses; and
 - 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - 6) statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

During the financial year, the Audit Committee met 5 times on 8.5.2021, 21.6.2021, 11.8.2021, 13.11.2021 and 9.2.2022. The Audit Committee Chairman was present at the last AGM .

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of 3 Directors, two of whom are independent:

Sl.No.	Name of the Director	Position
1.	Sri S Palaniswami	Chairman
2.	Sri S K Sundararaman	Member
3.	Sri C Sivasamy	Member

The Nomination and Remuneration Committee Chairman was present at the last Annual General Meeting. The other members of the Committee were present at the meeting.



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

- (a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (b) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (c) devising a policy on diversity of board of directors;
- (d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (f) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

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.shivamills.com

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 and Joint Managing Director.

Remuneration to Managing Director and Joint Managing Director :

Name	Designation	Remuneration per annum (Rs. in lakhs)
Sri S V Alagappan	Managing Director	130.00
Smt A Lalitha	Joint Managing Director	130.00



Remuneration paid to Director

All the non-executive Directors are paid with sitting fee of Rs.10,000/- as recommended by Nomination and Remuneration Committee and approved at the Board Meeting held on 14.8.2018 for each Board Meeting and Audit Committee Meeting attended by them.

Meeting of Independent Directors

During the year under review the Independent Directors met on 9.2.2022 for the following purposes:

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

All the Independent Directors were present at the meeting.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee 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 consisting of the following Directors with effect from 12.2.2018.

- | | | | |
|----|-------------------|---|-------------------------|
| 1. | Sri S V Alagappan | - | Managing Director |
| 2. | Smt A Lalitha | - | Joint Managing Director |
| 3. | Sri S Palaniswami | - | Independent Director |

SUBSIDIARIES

The Company has no material subsidiary within the meaning of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has adopted a Policy for determining material subsidiary and is available on the weblink: <https://www.shivamills.com/shares/policies>

RELATED PARTY TRANSACTIONS

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 weblink: <https://www.shivamills.com/shares/policies>

RISK MANAGEMENT COMMITTEE

Requirement of constitution of Risk Management Committee pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

Disclosures regarding commodity price risk and hedging activities pursuant to Regulation 34(3) read with clause 9(n) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted Policy on Foreign Exchange Risk Management on 28.5.2018.

Exposure to commodity risks faced by the company throughout the year

Total exposure of the Company to commodities in INR	:	Nil
Exposure of the company to various commodities	:	Nil



Commodity name	Exposure in INR towards the particular commodity	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
-	-	-	-	-	-	-	-

WHISTLE BLOWER MECHANISM

The Company has established a whistle blower policy/vigil mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected incidents of fraud or violation of the code of conduct or ethics policy. This mechanism provides adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. The whistle blower policy is posted on the company’s website at the link www.shivamills.com

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.3.2022

Name of the Director	No. of shares held
Sri S K Sundararaman	Nil
Sri K N V Ramani	Nil
Sri S Palaniswami	Nil
Sri C Sivasamy	Nil
Sri S Marusamy	4005

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 Balance Sheet, non-receipt of declared dividend, etc., and also the action taken by the Company on those matters.

The Stakeholders Relationship Committee consists of:

S.No	Name of the Director	Position
1.	Sri K N V Ramani	Chairman
2.	Sri S K Sundararaman	Member
3.	Smt A Lalitha	Member

Smt M Shyamala, Company Secretary is the Compliance Officer.

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



CEO & CFO CERTIFICATION

The Managing Director and Chief Financial Officer have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as prescribed under Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Board took the same on record.

INSIDER TRADING

In compliance with SEBI Regulations in prohibition of insider trading the company has framed a comprehensive Code of Conduct. The Code lays down guidelines and procedures to be followed and disclosures to be made by the management staff while dealing with the shares of the company

GENERAL BODY MEETINGS

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

AGM	Date & Time	Location	Special Resolutions Passed	Voting Pattern
4 th	19.8.2019 12.15 P.M.	Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641 037	Nil	Not Applicable
5 th	28.9.2020 10.30 A.M	through Video Conference (VC) / Other Audio Visual Means (OAVM)	Continuation of present terms of Directorship of Sri S Marusamy, who has attained the age of 75 years.	Total Votes polled : 65,94,784 Votes polled for: 65,94,484 Votes against : 300 Votes neutral : Nil
6 th	20.9.2021 9.30 A.M	through Video Conference (VC) / Other Audio Visual Means (OAVM)	1.Modification of remuneration payable to Sri S V Alagappan, Managing Director (DIN 00002450)	Total Votes polled : 64,50,722 Votes polled for: 64,50,382 Votes against : 340 Votes neutral : Nil
			2.Modification of remuneration payable to Smt A Lalitha, Joint Managing Director (DIN 00003688)	Total Votes polled : 64,71,962 Votes polled for: 64,71,622 Votes against : 340 Votes neutral : Nil

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

There is no Special Resolution being proposed for the approval of shareholders through postal ballot in the forthcoming Annual General Meeting.

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.



- The company has a Whistle Blower Policy in place and No personnel has been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements of Regulation 34(3) 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 persons to the post of Chairman and Managing Director/CEO and circulation of half Yearly financial results to each household of the shareholder.
- The Company has not raised funds through preferential allotment or qualified institutions placements, hence no reporting of utilisation of the same is made as specified under Regulation 32 (7A).
- There were no instances of Board for non-acceptance of any recommendation of any Committee of the Board which is mandatorily required during the Financial Year.
- The Company has obtained a Certificate from Sri R Dhanasekaran, Company Secretary in Practice under clause (i) of clause 10 of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed to this report as Annexure.

MEANS OF COMMUNICATION

- i) The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in Business Standard (English) and Makkal Kural (Tamil) newspapers. The results and news items relating to the company are displayed in company's website www.shivamills.com
- ii) The Management Discussion and Analysis forms part of this Annual Report.

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day and Date	:	Thursday, 25 th August, 2022
Time	:	11.00 A.M
Venue	:	Video Conferencing (VC)/other Audio-Visual Means ("OVAM")

Financial Year

Results Announced	:	25.5.2022
Dividend payment Date	:	on or before 6.9.2022



Announcement of quarterly Results : i) During first/second week of August and November 2022, February and May 2023 or as stipulated by SEBI from time to time.

ii) the financial results are displayed on the website of the Company www.shivamills.com

Date of Book closure for the purpose of Dividend and Annual General Meeting 19.8.2022 to 25.8.2022 (both days are inclusive)

Share Price Movement

The high and low quotations of the company's shares on the National Stock Exchange of India Limited and BSE Limited together with Nifty and SENSEX from April 2021 to March 2022 were:

MONTH	SHARE PRICE				NSE - NIFTY		BSE - SENSEX	
	NSE (Rs.Ps)		BSE (Rs.Ps)		High	Low	High	Low
	High	Low	High	Low				
April 2021	48.50	44.05	48.20	40.20	15044.35	14151.40	50375.77	47204.50
May	65.65	44.20	65.50	43.75	15606.35	14416.25	52013.22	48028.07
June	87.35	65.65	87.50	67.50	15915.65	15450.90	53126.73	51450.58
July	114.30	82.50	114.45	82.90	15962.25	15513.45	53290.81	51802.73
August	113.15	71.55	113.8	71.85	17153.50	15834.65	57625.26	52804.08
September	94.95	77.50	95.45	77.95	17947.65	17055.05	60412.32	57263.90
October	111.70	83.10	110.00	81.60	18604.45	17452.90	62245.43	58551.14
November	129.00	94.85	129.30	91.10	18210.15	16782.40	61036.56	56382.93
December	173.60	95.10	173.40	96.80	17639.50	16410.20	59203.37	55132.68
January 2022	204.80	146.30	209.00	145.75	18350.95	16836.80	61475.15	56409.63
February	179.90	105.25	180.00	106.05	17794.60	16203.25	59618.51	54383.20
March	119.80	94.05	119.60	94.85	17559.80	15671.45	58890.92	52260.82

SHARE DETAILS

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

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	Stock Code: 540961	National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex Bandra (E) Mumbai 400 051	Stock Code: SHIVAMILLS
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Based on the closing quotation of Rs.102.15 as at 31.3.2022 at NSE Mumbai, the market capitalization of the company was Rs. 88.28 Crore.

The company has paid Annual Listing Fees for the year 2022-2023.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

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

DEMATERIALISATION OF SHARES

The shares of the company are in compulsory demat segment. The company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Members have option to hold their shares in demat form (i.e electronic mode) either through the NSDL or CDSL. ISIN allotted to our company is INE644Y01017. As on 31.3.2022 96.75% of the shares of the Company have been dematerialised. The whole of the Promoters Shareholding have been dematerialised.

SHARE TRANSFER AGENT

S.K.D.C Consultants Limited
'Surya' 35, Mayflower Avenue
Behind Senthil Nagar
Sowriapalyam Road, Coimbatore - 641028

Phone: (0422) 4958995, 2539835, 2539836
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

The Share Transfers in physical form were discontinued w.e.f. 1.4.2019 as per SEBI guidelines. Transmission/ Transposition requests, if any, which are in physical form are registered and returned within 30 days from the date of receipt if they are in order. The same are approved by the Share Transfer Committee who usually meets, if needed.

DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2022

CATEGORY	No. of Shares Held	Percentage of Shareholding
Promoter's Holding	6475916	74.94
Banks/FIs/Mutual Funds	67749	0.78
Private Corporate Bodies	55741	0.65
Indian Public	1977998	22.88
NRI/OCBs	64404	0.75
Total	8641808	100.00



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 Mills Limited -Unclaimed Shares Demat Suspense Account"** and 1280 equity shares which are remains unclaimed and laying with erstwhile holding Company viz., Shiva Texyarn Limited during the course of Demerger, were transferred to Shiva Mills Limited on 25.8.2020.

An amount of Rs.636 is outstanding as on 31.3.2022 payable to 19 shareholders in respect of fractional shares sold in terms of Clause 9.3.3 of the Scheme of Arrangement (Demerger) dt. 23.8.2017 approved by the Hon'ble National Company Law Tribunal, Division Bench, Chennai. The payments made to them are returned undelivered and the said amount is kept in a separate Bank Account viz., "SHIVA MILLS LIMITED - UNPAID FRACTIONAL SHARES AMOUNT ACCOUNT"

The details of the above are available on the website of the Company www.shivamills.com

PLANT LOCATIONS

Spinning Unit	
Velvarkottai village Dindigul District, Tamilnadu	
Windmill Units	
Irukkandurai, Tirunelveli, Tamilnadu	Dhanakarkulam, Tirunelveli, Tamilnadu
Gathalrev, Dharapuram Tk, Tamilnadu	Vadavalli, Sular Tk, Tamilnadu
Varapatti, Sular Tk, Tamilnadu	

ADDRESS FOR CORRESPONDENCE

All investor related queries and complaints may be sent to the following address:

The Company Secretary,
Shiva Mills Limited,
Regd. Office: 252, Mettupalayam Road,
Coimbatore-641 043
E-mail: shares@shivamills.com

CREDIT RATINGS

Credit ratings obtained by the Company and revisions thereto during the financial year 2021 - 22 for credit facilities availed by the Company from Banks are as follows :

Rating Agency	Communication No	Nature of facility	Rating	Rating action
CARE Ratings Limited	CARE/CMBO/RL/2021-22/1052	Long-term Bank facilities	CARE BBB; Stable (Triple B; Outlook: Stable)	Reaffirmed
		Long Term / Short Term Bank Facilities	CARE BBB; Stable/CARE A3+ (Triple B; Outlook: Stable / A Three Plus)	Reaffirmed
		Short Term Bank Facilities	CARE A3+ (A Three Plus)	Reaffirmed



AUDITORS FEES

The total fees for all services paid by the Company to the Statutory Auditors during the year 2021-22 is as follows:

(Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Payments to auditors comprises (net of GST/ service tax input credit, where applicable):		
For Statutory audit fees	2.50	2.50
For Tax Audit	1.50	1.50
For taxation matters	1.10	1.35
For Other Services		
Limited Review Report	1.35	1.35
Certification Services	0.14	0.36
Others	0.80	0.80
Reimbursement of Expenses	-	-
Total	7.39	7.86

Coimbatore
25th May, 2022

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450

**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 MILLS LIMITED
CIN: L17111TZ2015PLC022007
Registered office: 252, Mettupalayam Road,
Coimbatore-641043.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SHIVA MILLS LIMITED having CIN: L17111TZ2015PLC022007 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, 2022 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.

Place : Coimbatore
Date : 25th May, 2022

Signature

Name: R Dhanasekaran

Company Secretary in Practice

FCS 7070 / CP 7745

ICSI UDIN: F007070D000383127



MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S BUSINESS

The Company's principal line of business is manufacturing and marketing of Cotton Yarn. The Company has a spinning unit near Dindigul, Tamil Nadu with an installed capacity of 39072 spindles and 22 Windmills with an installed capacity of 10.65 MW.

GLOBAL ECONOMY

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term.

INDIAN ECONOMY

Indian economy contracted by 6.6 per cent in 2020-21 as against the earlier estimate of 7.3 per cent decline, showing that the COVID-19 pandemic hit economy did not perform as badly as was initially worked out.

The Monetary Policy Committee of RBI has projected the real GDP growth at 7.2% in fiscal year 2022-23

OPPORTUNITIES

Indian Textiles industry plays a vital role in the country's economy and it is our largest and most labour intensive manufacturing industry. Textiles industry is one of the oldest industries in India and, in spite of significant automation and modernization in recent years, around 80% of the industry is still in the SME sector, providing livelihood level employment to artisans and rural workers.

India's textiles industry contributed seven per cent of the industry output (in value terms). It contributed 5 per cent to the GDP of India and employed more than 45 million workers directly, mostly the rural poor and women. Textile industry is the second largest producer of employment next to agriculture. The sector contributed 12 percent to India's export earnings. India is the 6th largest exporter of Textiles & Apparel in the world.

OUTLOOK

Unprecedented hike in cotton price both in domestic and international markets over last few months have hampered the textile sector business.

Indigenous production of cotton needs to be improved in future by cultivating high yield varieties of cotton to control cotton prices.

RISKS AND CONCERNS

Availability of Cotton, the main raw material for manufacture of Cotton Yarn, is subject to the vagaries of nature and the prices also fluctuate wildly based on supply/demand in the World market. Availability of skilled labour, competition from low cost producing Countries having preferential trade agreement with developed economies, fluctuations in foreign exchange markets are some of the risks faced by the textile Industry.



INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control procedures and systems commensurate with its 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 reviewed by the Audit Committee for improvement in each of these areas on a periodical basis. The internal control systems are improved and modified continuously to meet with changes in 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 to the Members.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS FOR THE FINANCIAL YEAR 2020-21 AND 2021-22

Comparative key financial ratios are furnished below. The ratios for the financial year 2021-22 better indicative comparing with previous financial year due to increase in profitability.

S.No	Type of Ratio	Parameter	2021-22	2020-21	% variance	Remarks
1	Debtors Turnover Ratio	Times	16.49	7.49	120.06	Increase in Trade receipt as on 31 st March 2022 as compared in previous year
2	Inventory Turnover	Times	5.96	4.59	29.71	Increase in Turnover resulting in decreasing inventory holding time
3	Interest Coverage Ratio	Times	26.97	5.82	363.40	Increase in profit
4	Current Ratio	Times	3.06	2.20	39.00	Higher efficiency on working capital improvement has resulted in an improvement in the ratio
5	Debt Equity Ratio	Times	0.07	0.04	74.38	Reduction / repayment in term loan
6	Operating Profit Margin (%)	%	11.95	10.62	12.52	Increase in profit
7	Net Profit Margin (%)	%	8.29	6.16	34.71	Increase in profit

DETAILS OF ANY CHANGE IN RETURN ON NETWORTH AS COMPARED TO IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF

Return on net worth is increased by 7.36% due to significant increase in profit as explained in the Directors' Report.

MEDIUM TERM AND LONG TERM STRATEGIES

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

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

Coimbatore
25th May, 2022

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450



CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Shiva Mills Limited
(CIN: L17111TZ2015PLC022007)

I have examined the compliance of conditions of Corporate Governance by Shiva Mills Limited ('the company'), for the year ended on 31st March, 2022 as referred in Regulation 15(2) of the Securities Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

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

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

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

Coimbatore
25th May, 2022

R Dhanasekaran
Company Secretary in Practice
FCS 7070/ CP 7745
ICSI UDIN: F007070D000383041

DECLARATION ON CODE OF CONDUCT

The Members of
Shiva Mills 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 31.3.2022

Coimbatore
25th May, 2022

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND MANAGING DIRECTOR
DIN 00002450



INDEPENDENT AUDITOR'S REPORT

To the Members of Shiva Mills Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Shiva Mills Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2022, its profit, including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Information Other than the financial statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report 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 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 and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) (A) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder.
 - e. On the basis of the written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 on Contingent Liabilities to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv)
 - a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) & (b) above contain any material misstatement.



v)

- a. The dividend declared or paid during the year by the company is in compliance with Section 123 of the Companies Act, 2013
- b. As stated in Note 44 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(C) With respect to the other matter 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.

Coimbatore
25th May, 2022

For VKS Aiyer & Co

Chartered Accountants

ICAI Firm Registration No. 000066S

V S Srinivasan

Partner

Membership No.013729

UDIN: 22013729AJXDAW5869



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shiva Mills Limited on the financial statements for the year ended 31st March, 2022]

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the course of audit and to the best of our knowledge and belief, we state that

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of Intangible Assets.
 - (b) The Company has a regular program of verification of property, plant and equipment, by which all the property, plant and equipment are verified in a phased manner over a period of three years. In accordance with the programme certain property, plant and equipment were verified during the year. This periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) Based on our examination of the title deeds provided to us, we report that, the title deeds of all the immovable properties, disclosed in the financial statements are held in the name of the Company as at the balance sheet date except the following :

Land/ Building	Total number of cases	Leasehold/ Freehold	Gross Block and Net block as on March 31, 2022	Reason for not being held in the name of the Company
Land at Velvarkottai & Varapatti, Vadavalli, Dhanakkarkulam (Occupied by Spinning Division and windmill)	46 documents	Freehold	Rs.167.98 lakhs	The title deeds are in the name of Shiva Texyarn limited from which the business undertaking was demerged under Section 230 to 232 of the Companies Act, 2013 vide NCLT order dt. 23.08.2017.
Undivided share of land and Building at Coimbatore and Land at Varapatti Classified under Investment in Property	2 documents	Freehold	Gross Block : Rs.118.70 Lakhs Net Block : Rs.102.70 Lakhs	The title deeds are in the name of Shiva Texyarn limited from which the business undertaking was demerged under Section 230 to 232 of the Companies Act, 2013 vide NCLT order dt. 23.08.2017.



- (d) The Company has not revalued any of its Property, Plant and Equipment and Intangible Assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) The company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns / statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company of the respective quarters and no material discrepancies have been observed.
- iii. Reporting on investments made in companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order are not applicable.
 - (b) In our opinion, the investments made during the year are prima facie, not prejudicial to the Company's interest.
 - (c) The Company has not granted any loans during the year and hence reporting under clause 3(iii)(c), (d), (e) and (f) of the Order is not applicable.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a) In respect of statutory dues, in our opinion, the company has been regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, cess and other material statutory dues applicable to it with the appropriate authorities.



There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

b) The company does not have any disputed statutory dues, hence reporting under clause vii (b) is not applicable

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix.
 - (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(viii)(e) and (f) of the Order is not applicable.
- x.
 - a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - b. During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(ix)(b) of the Order is not applicable to the Company.
- xi.
 - (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) There were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.



- xiv.
- a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business
 - b. We have considered, the internal audit reports issued till date for the period under audit.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.
- a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
 - b. The Company is not a CIC as defined in the regulation made by RBI and hence reporting under clause (xvi)(b) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. There is no unspent amount under section 135(5) of the Companies Act,2013 pursuant to any project. Accordingly, Clause 3(xx)(a) & 3 (XX)(b) of the Order is not applicable.

For VKS Aiyer & Co

Chartered Accountants

ICAI Firm Registration No. 000066S

V S Srinivasan

Partner

Membership No:013729

UDIN:22013729AJXDAW5869

Coimbatore
25th May, 2022



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shiva Mills Limited on the financial statements for the year ended 31-03-2022]

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 Mills Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of information and explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria of 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 ICAI.

For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Registration No. 000066S

V S Srinivasan
Partner
Membership No:013729
UDIN:22013729AJXDAW5869

Place: Coimbatore
Date : 25th May, 2022



Balance Sheet as at March 31, 2022

₹ in Lakhs

PARTICULARS	Note No.	As at 31.03.2022	As at 31.03.2021
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	2A	6,455.45	7,028.97
(b) Right of Use Asset	2B	0.85	3.57
(c) Intangible assets	2C	0.88	1.44
(d) Investment property	3	102.70	4.94
(e) Financial Assets			
(i) Investments	4	42.03	0.03
(f) Other non-current assets	5	99.03	122.51
Total Non - Current Assets		6,700.94	7,161.46
2 Current assets			
(a) Inventories	6	4,456.29	2,690.33
(b) Financial Assets	7		
(i) Trade receivables	7.1	1,523.80	1,059.35
(ii) Cash and cash equivalents	7.2 (i)	184.03	377.17
(iii) Other Bank balances	7.2(ii)	10.75	8.70
(iv) Other Financial Assets	7.3	13.21	5.40
(c) Other Current assets	8	319.94	166.35
Total Current Assets		6,508.02	4,307.30
Total Assets (1+2)		13,208.96	11,468.76
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	9	864.18	864.18
(b) Other Equity	10	9,908.13	8,208.49
Total equity		10,772.31	9,072.67
Liabilities			
2 Non-current liabilities			
(a) Financial Liabilities	11		
(i) Borrowings	11.1	-	81.00
(b) Lease Liability	11.2	1.86	4.64
(c) Deferred tax liabilities (net)	12	309.34	355.01
(d) Other Non-current liabilities	13	0.81	0.82
Total Non - Current Liabilities		312.01	441.47
3 Current liabilities			
(a) Financial Liabilities	14		
(i) Borrowings	14.1	790.81	297.20
(ii) Trade payables	14.2		
(a) Total outstanding due of Micro and Small Enterprises		15.71	91.72
(b) Total outstanding due of creditors other than Micro and Small Enterprises		196.31	629.84
(iii) Other Financial Liabilities	14.3	209.24	205.76
(b) Provisions	15	61.46	37.40
(c) Other current liabilities	16	851.11	692.70
Total Current Liabilities		2,124.64	1,954.62
Total Equity and Liabilities (1+2+3)		13,208.96	11,468.76

Significant Accounting Policies and the accompanying notes are an integral part of the financial statements

In terms of our report attached

For VKS AIYER & Co

Chartered Accountants

Firm Registration No.000066S

V S SRINIVASAN

Partner

Membership No. 013729

Place: Coimbatore

Date : 25th May, 2022

1 - 44

For and on behalf of the Board of Directors

S V ALAGAPPAN
Chairman & Managing Director
DIN: 00002450

A LALITHA
Joint Managing Director
DIN: 00003688

M SHANMUGAM
Chief Financial Officer

M SHYAMALA
Company Secretary
ACS No. 24464

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

₹ in Lakhs

PARTICULARS	Note No.	Year ended 31.03.2022	Year ended 31.03.2021
I Revenue from operations	17	21,294.04	13,895.94
II Other Income	18	68.09	25.41
III Total Income (I + II)		21,362.13	13,921.35
IV EXPENSES			
(a) Cost of materials consumed	19	14,242.02	8,681.81
(b) Changes in Inventories of finished goods, work-in-progress and stock in trade	20	(181.16)	380.96
(c) Employee benefits expense	21	1,961.48	1,404.02
(d) Finance costs	22	94.35	253.68
(e) Depreciation and amortisation expense	2D	571.07	568.27
(f) Other expenses	23	2,223.96	1,410.93
Total Expenses (IV)		18,911.72	12,699.67
V Profit before tax (III - IV)		2,450.41	1,221.68
VI Tax Expense			
(1) Current tax	30 C	705.70	373.27
(2) Deferred tax		(52.47)	(7.00)
(3) Prior year tax		31.32	-
Total tax expense		684.55	366.27
VII Profit for the year (V - VI)		1,765.86	855.41
VIII Other comprehensive income		20.21	(16.07)
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of post employment benefit obligation /asset		27.01	(16.13)
(b) Equity instruments through other comprehensive income		-	0.06
(ii) Income tax relating to items that will not be reclassified to profit or loss		(6.80)	-
B Items that may be reclassified to profit or loss		-	-
IX Total comprehensive income for the year (VII + VIII)		1,786.07	839.34
X Earnings per equity share(Face value of ₹ 10 Per share):			
Basic & Diluted (in ₹)	29	20.43	9.90

Significant Accounting Policies and the accompanying notes are an integral part of the financial statements

1 - 44

In terms of our report attached

For and on behalf of the Board of Directors

For VKS AIYER & Co
Chartered Accountants
Firm Registration No.000066S

S V ALAGAPPAN
Chairman & Managing Director
DIN: 00002450

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Partner
Membership No. 013729

M SHANMUGAM
Chief Financial Officer

M SHYAMALA
Company Secretary
ACS No. 24464

Place: Coimbatore
Date : 25th May, 2022



Statement of changes in equity for the year ended March 31, 2022

₹ in Lakhs

(a) Equity share capital

As at April 1, 2021	864.18
As at March 31, 2022	<u>864.18</u>

(b) Other Equity

₹ in Lakhs

PARTICULARS	General Reserve	Retained earnings (defecit)	Remeasurements of the defined benefit liabilities / (assets) net of tax	Total other equity
Balance at the April 01, 2020	5,346.54	1,978.17	44.44	7,369.15
Add :Profit for the year	-	855.41		855.41
Add/Less:Remeasurement of the net defined benefit liability/asset, net of taxes		0.06	(16.13)	(16.07)
Balance at the March 31, 2021	5,346.54	2,833.64	28.31	8,208.49
Balance at the April 01, 2021	5,346.54	2,833.64	28.31	8,208.49
Add :Profit for the year		1,765.85		1,765.85
Less : Dividend on equity shares for the year 2020-21 (₹ 1 per share)		(86.42)		(86.42)
Add/Less:Remeasurement of the net defined benefit liability/asset, net of taxes			20.21	20.21
Balance as at March 31, 2022	5,346.54	4,513.07	48.52	9,908.13

Significant Accounting Policies and the accompanying notes are an integral part of the financial statements

1 - 44

In terms of our report attached

For and on behalf of the Board of Directors

For VKS AIYER & Co

Chartered Accountants
Firm Registration No.000066S

S V ALAGAPPAN

Chairman & Managing Director
DIN: 00002450

A LALITHA

Joint Managing Director
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V S SRINIVASAN

Partner
Membership No. 013729

M SHANMUGAM

Chief Financial Officer

M SHYAMALA

Company Secretary
ACS No. 24464

Place: Coimbatore
Date : 25th May, 2022

Statement of Cash Flow for the year ended March 31,2022

₹ in Lakhs

PARTICULARS	Year ended March 31, 2022		Year ended March 31, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the year		2,450.41		1,221.68
Adjustments for:				
Depreciation and amortisation expense	571.07		568.27	
Finance costs	94.35		253.68	
Interest income	(6.00)		(3.26)	
Rental income	(5.54)		(8.11)	
Bad Debt Written off	11.27			
Other Adjustments	18.87			
Profit on Sales of Investments	-		(0.06)	
Net unrealised exchange (gain) / loss	-		(0.46)	
		684.02		810.06
Operating profit / (loss) before working capital changes		3,134.43		2,031.74
Changes in working capital:				
Financial Assets				
Trade receivables	(475.71)		1,590.79	
Other financial assets	(7.80)		(3.94)	
Non-financial assets				
Inventories	(1,765.96)		668.52	
Other assets	(122.00)		112.27	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	(509.54)		2.94	
Other financial liabilities	3.48		(25.87)	
Non-financial liabilities				
Provisions	(68.73)		2.30	
Other liabilities	158.40		227.92	
		(2,787.86)		2,574.93
Cash generated from operations		346.57		4,606.67
Net income tax (paid) / refunded		(656.74)		(348.48)
Net cash flow from / (used in) operating activities (A)		(310.17)		4,258.19
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(92.02)		(17.49)	
Sale/(Purchase) of Investments	(42.00)		3.16	
Interest received	6.00		3.26	
Rent received	5.54		8.11	
Net cash flow from / (used in) investing activities (B)		(122.48)		(2.96)



Statement of Cash Flow (Contd...)

₹ in Lakhs

PARTICULARS	Year ended March 31, 2022		Year ended March 31, 2021	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of non-current borrowings	(81.00)		(108.00)	
Increase / (decrease) in working capital borrowings	493.60		(3,559.18)	
Dividend and Distribution Tax Paid	(86.42)			
Repayment of Lease Liability	(2.78)		(1.94)	
Finance costs paid	(81.84)		(242.68)	
Net cash flow from / (used in) financing activities (C)		241.56		(3,911.80)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(191.09)		343.43
Add: Cash and cash equivalents at the beginning of the year		385.87		41.98
Add / (Less): Effect of exchange differences on restatement of foreign currency cash and cash equivalents		-		0.46
Cash and cash equivalents at the end of the year		194.78		385.87
Items not considered as Cash and Cash Equivalents (Refer Note No 7.2(ii))		(10.75)		(8.70)
Cash and cash equivalents at the end of the year		184.03		377.17

Changes in Liability arising from financing activities, disclosing changes arising from Cash and Non Cash Flow:

As on 31-03-2022

Particulars	Non Current Borrowings (including current maturities)	Current Borrowings	Lease Liability
Opening Balance as at 1st April, 2021	189.00	189.20	4.64
Cash Flows (Net) - Proceeds / (Repayment)	(108.00)	520.61	(2.78)
Closing Balance as at 31st March 2022	81.00	709.81	1.86
Opening Balance as at 1st April, 2020	298.49	3,748.38	6.59
Cash Flows (Net) - Proceeds / (Repayment)	(109.49)	(3,559.18)	(1.94)
Closing Balance as at 31st March 2021	189.00	189.20	4.65

Significant Accounting Policies and the accompanying notes are an integral part of the financial statements

1 - 44

In terms of our report attached

For and on behalf of the Board of Directors

For VKS AIYER & Co
Chartered Accountants
Firm Registration No.000066S

S V ALAGAPPAN
Chairman & Managing Director
DIN: 00002450

A LALITHA
Joint Managing Director
DIN: 00003688

V S SRINIVASAN
Partner
Membership No. 013729

M SHANMUGAM
Chief Financial Officer

M SHYAMALA
Company Secretary
ACS No. 24464

Place: Coimbatore
Date : 25th May, 2022

Notes to the financial statements for the year ended March 31, 2022

General Information:

Shiva Mills Limited ("the Company") is a public limited Company with its registered office at 252 Mettupalayam Road, Coimbatore and factory at Dindigul, Tamil Nadu, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in the manufacturer of cotton yarn.

The Company's financial statements were authorised for issue in accordance with the resolution of the Board of Directors on 25th May, 2022.

1.1 Significant Accounting Policies

This significant accounting policies applied by the Company in the preparation of its financial statements are listed below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2 Basis of accounting and preparation of financial statements

(i) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statement have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

(ii) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the following:

- (a) certain financial assets and liabilities that are measured at fair value and
- (b) defined benefit plans – plan assets measured at fair value
- (c) Right of use assets which are recognized at the present value of lease payments that are outstanding and adjusted for initial cost incurred."

1.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Management and board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors has been identified as being the chief operating decision maker.

1.4 Use of estimates

In the application of the Company's accounting policies, the Management and 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.

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.

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.



Notes to the financial statements for the year ended March 31, 2022

a. 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.

b. 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.

1.5 Inventories

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 weighed average cost basis. Value of finished goods and work-in-progress are determined on weighted average cost basis and include appropriate share of overheads.

1.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks other than deposits pledged with government authorities and margin money deposits.

Cash and cash equivalents 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.

1.7 Cash flow statement

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

1.8 Taxes on income

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.



Notes to the financial statements for the year ended March 31, 2022

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.

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.

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.

c) Current and deferred tax for the year

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.

1.9 Property plant and equipment

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.

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.

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.

Capital work-in-progress:

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.

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.



Notes to the financial statements for the year ended March 31, 2022

Class of Assets	Useful Lives
Factory Buildings	30 Years
Non-Factory Buildings,	60 Years
Plant and Machinery & Equipment's (Continuous process plant for which no special rate has been prescribed)	25 years
Furniture and Fittings	10 years
Lab Equipments	10 years
Motor Vehicles	8 Years
Motor Vehicles (Second Hand)	4 Years
Electrical Installations	10 Years
Office Equipment's	5 Years
Computer	3 Years
Fences, wells, tube wells	3 Years

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.

Intangible Assets and Amortisation:

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

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

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Operating software is capitalised and amortised along with the related fixed asset.

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

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

Class of Assets	Useful Lives
Computer Software	6

Investment Property

Investment property is a property, held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business. Investment properties (if any), are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All other repair and maintenance costs are recognised in Statement of profit and loss as incurred. The Company has used the following useful lives to provide depreciation on its Investment Property:

Class of Assets	Useful Lives
Buildings	60 years

Notes to the financial statements for the year ended March 31, 2022

1.10 Leases

a) The Company as a lessee:

The Company's lease asset classes primarily consist of leases for Buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

b) The Company as a lessor:

Leases for which the company is a lessor is classified as a finance or operating lease. Wherever the terms of the lease transfers substantially all the risks and ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease. The Application of INDAS 116 did not have any implication as a Lessor.

1.11 Revenue recognition

a) Sale of goods

Revenue from customers is recognised when the Company satisfies performance obligation when control of goods is transferred to the customer which is usually on despatch or delivery. Revenue is measured based on transaction price adjusted for volume based price discount, price concessions and net off returns.

b) Sale of services

The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured.



Notes to the financial statements for the year ended March 31, 2022

c) Other operating revenue

Other operating revenue comprising of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established.

1.12 Other income

a) Interest

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 by reference to the principal outstanding and at the effective interest rate applicable.

b) Dividend

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).

1.13 Employee benefits

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

a) Retirement benefit costs and termination benefits

Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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.

b) Defined benefit costs are categorised as follows:

- 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

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.

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.

Notes to the financial statements for the year ended March 31, 2022

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.

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.

Short-term and other long term employee benefits

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.

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.

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.

1.14 Foreign currency transactions and translations

(i) Functional and presentation currency

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.

(ii) Transactions and balances

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.

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).

1.15 Borrowings and Borrowing cost

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.

Borrowing costs directly attributable to the acquisition, construction 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.

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.



Notes to the financial statements for the year ended March 31, 2022

1.16 Earnings per share

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. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

1.17 Provisions and contingencies

A provision is recognised when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. 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."

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the Notes.

1.18 Financial Instruments

All financial instruments are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs."

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.

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.

a) Non-derivative financial assets

(i) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (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.

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.

Notes to the financial statements for the year ended March 31, 2022

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.

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.

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.

(ii) Equity instruments at FVTOCI

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.

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.

(iii) Financial assets at FVTPL

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

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.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(iv) Derecognition of financial assets

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.

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.



Notes to the financial statements for the year ended March 31, 2022

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.

b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

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.

(ii) Financial liabilities at FVTPL

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.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

(iii) Derecognition of non-derivative financial liabilities

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.

1.19 Impairment

a) Financial Assets

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.



Notes to the financial statements for the year ended March 31, 2022

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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.

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:

- 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.
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. 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.

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:

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.

b) **Non-financial assets**

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.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

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").



Notes to the financial statements for the year ended March 31, 2022

1.20 Government grants

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."

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.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

1.21 Operating cycle

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

1.22 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS16–Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements

Ind AS37–Provisions,Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'.Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1,2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Notes to the financial statements for the year ended March 31, 2022

2A. Property, Plant and equipment

₹ in Lakhs

Description of Assets	Freehold Land	Building	Plant and Machinery	Office Equipment	Furniture & Fittings	Vehicles	Computers	Lab Equipments	Electrical Installations	Total
I. Gross Carrying Value										
Balance as at April 1, 2020	167.98	1,780.78	7,343.10	36.54	27.19	86.53	23.77	51.06	89.17	9,606.11
Additions	-	15.01	-	-	-	-	2.48	-	-	17.49
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	167.98	1,795.78	7,343.10	36.54	27.19	86.53	26.25	51.06	89.17	9,623.60
Additions	-	53.44	25.32	2.44	-	8.00	2.82	-	-	92.02
Reclassification to Investment Property (Refer Note-ii below)	-	(113.75)	-	-	-	-	-	-	-	(113.75)
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	167.98	1,735.47	7,368.42	38.98	27.19	94.53	29.07	51.06	89.17	9,601.87
II. Accumulated depreciation and impairment										
Balance as at April 1, 2020	-	232.51	1,704.95	12.31	6.27	42.12	4.08	13.22	15.78	2,031.24
Depreciation / amortisation expense for the year	-	55.50	448.61	5.42	2.52	12.46	8.25	22.21	8.41	563.39
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	-	288.01	2,153.56	17.73	8.80	54.59	12.33	35.43	24.19	2,594.63
Depreciation / amortisation expense for the year	-	81.86	444.66	6.77	2.36	12.73	7.14	2.26	8.41	566.20
Reclassification to Investment Property (Refer Note-ii below)	-	(14.41)	-	-	-	-	-	-	-	(14.41)
Balance as at March 31, 2022	-	355.46	2,598.22	24.50	11.15	67.32	19.47	37.69	32.60	3,146.42
Net block (I-II)										
Net Carrying Value as at March 31, 2021	167.98	1,507.77	5,189.54	18.81	18.39	31.94	13.92	15.63	64.98	7,028.97
Net Carrying Value as at March 31, 2022	167.98	1,380.01	4,770.20	14.48	16.04	27.21	9.59	13.37	56.58	6,455.45

(i) Certain property, plant and equipments have been given as security against borrowings availed by the Company. (Refer Note No. 11 & 14.1)

(ii) The Company has identified Land and Building at Coimbatore to be in the nature of investment property and accordingly reclassified from Property, Plant and equipment to Investment in Property



Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

(iii) Details of immovable properties not held in the name of Company:

Particulars	Total number of cases	Leasehold / Freehold	Gross Block & Net block as on March 31, 2022	Reason for not being held in name of Company
Land at Velvarkottai & Varapatti, Vadavalli, Dhanakkarkulam (Occupied by Spinning Division and windmill)	46 Documents	Freehold	Rs.167.98 lakhs	The title deeds are in the name of Shiva Texyarn limited from which the business undertaking was demerged under Section 230 to 232 of the Companies Act, 2013 vide NCLT order dt. 23.08.2017.

2B. Right of use Asset

Description of Assets	₹ in Lakhs
I. Gross Carrying Value	
Balance as at April 1, 2020	8.16
Additions	
Disposals	-
Balance as at March 31, 2021	8.16
Additions	
Disposals	-
Balance as at March 31, 2022	8.16
II. Accumulated depreciation and impairment	
Balance as at April 1, 2020	1.86
Amortisation expense for the year	2.73
Balance as at March 31, 2021	4.59
Amortisation expense for the year	2.72
Balance as at March 31, 2022	7.31
Net block (I-II)	
Net Carrying Value as at March 31, 2021	3.57
Net Carrying Value as at March 31, 2022	0.85

Note

In the statement of profit and loss for the current year, operating lease expenses is recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The weighted average incremental borrowing rate of 12% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

2C. Intangible Assets

Description of Assets	Computer Software
I. Gross Carrying amounts Value	
Balance as at April 1, 2020	2.73
Additions	-
Disposals	-
Balance as at March 31,2021	2.73
Additions	-
Disposals	-
Balance as at March 31,2022	2.73
II. Accumulated Amortisation and impairment	
Balance as at April 1, 2020	0.93
Amortisation expense for the year	0.36
Balance as at March 31,2021	1.29
Amortisation expense for the year	0.56
Balance as at March 31,2022	1.85
Net block (I-II)	
Net Carrying Value as at March 31,2021	1.44
Net Carrying Value as at March 31,2022	0.88

2D. Depreciation and Amortisation

Particulars	Note No.	For the year ended March 31 2022	For the year ended March 31 2021
Property plant and equipment	2A	566.20	565.19
Right -of-use Asset	2B	2.72	2.73
Amortisation - Intangibles	2C	0.56	0.36
Investment property	3	1.59	-
Total depreciation		571.07	568.27



Non-current assets

3. Investment Property

Particulars	Land	Building*	Total
Gross Carrying Value			
As at 31st March, 2020	4.94	-	4.94
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2021	4.94	-	4.94
Reclassification from PPE	11.68	102.08	113.76
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2022	16.62	102.08	118.70
Accumulated Depreciation			
As at 31st March, 2020	-	-	-
Additions	-	-	-
Disposals	-	-	-
As at 31st March, 2021	-	-	-
Reclassification from PPE	-	14.41	14.41
Additions	-	1.59	1.59
Disposals	-	-	-
As at 31st March, 2022	-	16.00	16.00
Net Carrying Value			
As at 31st March, 2021	4.94	-	4.94
As at 31st March, 2022	16.62	86.08	102.70

* The Company has identified Land and Building at Coimbatore to be in the nature of investment property and accordingly reclassified from Property, Plant and equipment to Investment in Property

Fair value of investment property :

Particulars	As at 31.03.2022	As at 31.03.2021
Land	61.34	48.49
Building	56.84	-

The fair value of the Investment property is based on the guideline value of the property based on Tamilnadu Registry. The Management believes that the fair value of the investment property as at the balance sheet would not be significantly different from guideline value.

Details of immovable properties not held in the name of Company:

Particulars	Total number of cases	Leasehold / Freehold	Gross Block & Net block as on March 31, 2022	Reason for not being held in name of company
Undivided share of land and Building at Coimbatore and Land at Varapatti Classified under Investment in Property	2 documents	Freehold	Gross Block :Rs.118.70Lakhs Net Block : Rs.102.70 Lakhs	The title deeds are in the name of Shiva Teyarn limited from which the business undertaking was demerged under Section 230 to 232 of the Companies Act, 2013 vide NCLT order dt. 23.08.2017.

Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

Financial Assets

4. Investments

Particulars	As at 31.03.2022	As at 31.03.2021
I. Quoted Investments (fully paid)	-	-
II. Unquoted Investments (fully paid)		
Investments in Equity Instruments - Others		
a. 3,00,000 Equity shares of Nellai Renewables Private Limited of Rs.10 Each	30.00	-
b. Advance for Purchase of Equity shares of Nellai Renewables Private Limited- 1,20,000 Shares of Rs.10 Each	12.00	-
c. Government Securities	0.03	0.03
Total Unquoted Investments	42.03	0.03
Total Investments	42.03	0.03
Aggregate amount of unquoted investments	42.03	0.03
Aggregate market value of unquoted investments	42.03	0.03

5. Other Non Current Assets

Particulars	As at 31.03.2022	As at 31.03.2021
Capital Advances	4.30	5.46
Security Deposit paid	91.07	86.10
Other Rental advance	3.41	3.54
Other Advance	0.25	0.25
Income Tax (Net of Provision)	-	27.16
Total	99.03	122.51

6. Inventories

Particulars	As at 31.03.2022	As at 31.03.2021
Raw Materials	3,746.77	2,170.48
Work-in-progress (Refer note below)	262.45	269.91
Finished Goods	233.46	102.39
Waste Cotton	81.07	30.39
Stores and Spares	132.54	117.16
Total	4,456.29	2,690.33

Note

Particulars	As at 31.03.2022	As at 31.03.2021
Work in Progress		
Cotton	241.45	248.32
Yarn	21.00	21.59
Total	262.45	269.91



Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

- (i) For method of valuation of inventories, refer significant Accounting Policy No 1.5
- (ii) Inventories with the above mentioned carrying amount have been pledged as security against certain bank borrowings of the Company (Refer note 14.1)
- (iii) Cost of inventory recognised as an expense :

Particulars	As at 31.03.2022	As at 31.03.2021
Cost of materials consumed	14,242.02	8,681.81
Consumption of Stores & Spare parts	170.30	120.43

7. Financial Assets

7.1 Trade receivables

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Considered good - Unsecured	1,526.51	1,030.61
(b) Credit impaired	2.61	28.74
Less: Allowance for Expected Credit Loss (Refer Note below)	5.32	-
Total	1,523.80	1,059.35

Note Movement in allowances for credit losses of receivable is as below:

Particulars	As at 31.03.2022	As at 31.03.2021
Opening balance		
Add : Provision made during the year	5.32	-
Less: Reversed during the year	-	-
Closing balance	5.32	-

7.1 (i) Ageing schedule of trade receivables is as below:

As at March 31, 2022

Particulars	Outstanding for following period from the date of invoice					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	1,526.51	-			-	1,526.51
(ii) Undisputed Trade Receivables - which have significant increase in credit risk				2.61		2.61
(iii) Undisputed Trade Receivables - credit impaired						-
(iv) Disputed Trade Receivables - considered good						-
(v) Disputed Trade Receivables - which have significant increase in credit risk						-
(iii) Disputed Trade Receivables - credit impaired						-
Sub Total	1,526.51	-	-	2.61	-	1,529.12
Less : Allowance for Expected Credit Loss						5.32
Total						1,523.80

As at March 31, 2021

Particulars	Outstanding for following period from the date of invoice					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	1,030.61	24.37	-			1,054.98
(ii) Undisputed Trade Receivables - which have significant increase in credit risk			4.37			4.37
(iii) Undisputed Trade Receivables - credit impaired						-
(iv) Disputed Trade Receivables - considered good						-
(v) Disputed Trade Receivables - which have significant increase in credit risk						-
(vi) Disputed Trade Receivables - credit impaired						-
Total	1,030.61	24.37	4.37	-	-	1,059.35

7.1 (ii) 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 historical observed default rates are updated and changes in forward-looking estimates are analysed. Based on such estimates, no provision for credit risk has been made.

7.1. (iii) Trade receivables have been given as primary security for Working Capital Loans (Refer note 14.1)

7.2 (i) Cash and Cash Equivalents

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Cash on hand	0.24	0.73
(b) Balances with banks :		
Current accounts	183.79	376.44
Total	184.03	377.17

7.2 (ii) Other Bank Balances

Particulars	As at 31.03.2022	As at 31.03.2021
Earmarked balances		
In Unclaimed dividend accounts	10.75	8.70
Total	10.75	8.70



7.3 Other financial assets

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured, considered good		
Employee Advance	0.73	5.40
Banked Energy Units	12.48	
Total	13.21	5.40

8. Other Current Assets

Particulars	As at 31.03.2022	As at 31.03.2021
Unsecured and considered good		
GST - Input tax credit receivable	56.20	10.72
Prepayment	38.75	73.41
Gratuity	16.78	-
Advance to Suppliers	208.21	82.22
Total	319.94	166.35

9. Equity Share Capital

Particulars	As at 31.03.2022		As at 31.03.2021	
	Numbers of Shares	₹ in Lakhs	Numbers of Shares	₹ in Lakhs
(a) Authorised: Equity Share Capital				
Equity Shares of ₹ 10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Total	1,50,00,000	1,500.00	1,50,00,000	1,500.00
(b) Issued, Subscribed and Fully paid-up:				
Equity shares of ₹ 10/- each	86,41,808	864.18	86,41,808	864.18
Total	86,41,808	864.18	86,41,808	864.18

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	Numbers of Shares	₹ in Lakhs	Numbers of Shares	₹ in Lakhs
Equity shares of ₹ 10/- each				
At the beginning of the year	86,41,808	864.18	86,41,808	864.18
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	86,41,808	864.18	86,41,808	864.18

Notes to the financial statements for the year ended March 31, 2022

₹ 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 ₹ 10/- per share. The holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential creditors and other creditors, in the order of priority. The distribution will be in proportion to the number of equity shares held by shareholders. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	Numbers of Shares held	% of holding	Numbers of Shares held	% of holding
Vedanayagam Hospital (P) Limited	-	-	42,03,546	48.64%
Annamallai Retreading Company Private Limited	62,36,976	72.17%	20,33,430	23.53%

(iv) 86,41,808 shares were allotted consequent to a scheme of demerger approved by NCLT vide order dated 23.08.2017

(v) Shares held by promoters

Promoter name	Numbers of Shares as at 31.03.2022	% of total shares	Numbers of Shares as at 31.03.2021	% of total shares	% change during the year
1 SV Alagappan	21,780	0.25%	21,780	0.25%	0.00%
2 A Shenbagam	3,480	0.04%	3,480	0.04%	0.00%
3 A Lalitha	2,13,680	2.47%	540	0.01%	2.46%
4 SV Kandasami – HUF	-	0.00%	7,680	0.09%	(-)0.09%
5 SV Kandasami	-	0.00%	2,03,300	2.35%	(-)2.35%
6 K Leelavathi	-	0.00%	1,800	0.02%	(-)0.02%
7 S K Sundararaman	-	0.00%	360	0.00%	0.00%
8 Annamallai Retreading Company (P) Ltd	62,36,976	72.17%	20,33,430	23.53%	48.64%
9 Vedanayagam Hospital (P) Ltd	-	-	42,03,546	48.64%	(-)48.64%
Total	64,75,916	74.94%	64,75,916	74.94%	

(vi) Shares held by holding Company:

Name of the shareholder	% of Shares	No. of Shares
Annamallai Retreading Company (P) Ltd	72.17%	62,36,976



10. Other Equity

Particulars	As at 31.03.2022	As at 31.03.2021
(a) General Reserve	5,346.54	5,346.54
(b) Retained Earnings		
Opening balance	2,833.64	1,978.17
Add : Profit for the year	1,765.85	855.47
Less : Dividend Paid on Equity Shares	(86.42)	-
Closing balance	4,513.07	2,833.64
(c) Other comprehensive income		
Opening	28.31	44.44
Addition/(Deletion) during the year	20.21	(16.13)
Closing balance	48.52	28.31
Total other equity	9,908.13	8,208.49

Non-current Liabilities

11. Financial Liabilities

11.1 Borrowings

Particulars	As at 31.03.2022	As at 31.03.2021
Term Loans - Secured(Refer Note below) From banks	-	81.00
Total	-	81.00

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

Particulars	As at 31.03.2022	As at 31.03.2021
ICICI Bank Limited	81.00	189.00
Less: Current Maturities of long term debt	(81.00)	(108.00)
	-	81.00

Security: First charge on entire movables and immovable fixed assets of the spinning unit of the Company. Repayable in 20 equal quarterly instalments commencing from February 2018. Term Loan carries Interest rate @ 10.25%

11.2 Lease Liability

Particulars	As at 31.03.2022	As at 31.03.2021
Lease liability	1.86	4.64
Total	1.86	4.64

Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

12. Deferred tax liabilities (Net)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Deferred tax liability:		
Opening balance	358.50	366.94
Add: Additions during the year	6.80	
Less: Reversed during the year	53.99	8.44
Closing balance	311.31	358.50
(b) Deferred tax asset:		
Opening balance	3.49	4.93
Add: Additions during the year		
Less: Reversed during the year	1.52	1.44
Closing balance	1.97	3.49
Deferred tax liability (Net) (a)-(b)	309.34	355.01

13. Other Non- current liabilities

Particulars	As at 31.03.2022	As at 31.03.2021
Income received in advance	0.81	0.82
Total	0.81	0.82

Current Liabilities

14. Financial Liabilities

14.1 Borrowings

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Working capital loan from banks (Secured) (Refer Note 1 below)	709.81	189.20
Current Maturities of long term borrowings	81.00	108.00
Total	790.81	297.20

Note 1

Particulars	As at 31.03.2022	As at 31.03.2021
A) Cash Credit		
(i) ICICI Bank Limited	55.09	-
(ii) Indian Overseas Bank	94.05	13.19
(iii) Bank of Baroda	160.67	-
(iv) Canara Bank	-	176.01
B) Short Term working capital loan with ICICI Bank Limited	400.00	-
	709.81	189.20



Name of the Bankers	Security
(i) ICICI Bank Ltd (ii) Indian Overseas Bank (iii) Bank of Baroda (iv) Canara Bank	1. First pari-pasu charge on the current assets of the spinning Unit of the Company. 2. Second Charge pari pasu charge on the Fixed assets of the spinning unit of the Company

- a) Working Capital loan carry interest ranging from 7.50% to 11.30%
- b) In respect of borrowings made during the year, the charge on the assets given as security to the lender have been created on time in compliance with the regulatory requirements
- c) The quarterly returns or statements comprising of (stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

14.2 Trade payables

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Total outstanding due of Micro and Small Enterprises	15.71	91.72
(b) Total outstanding due of creditors other than Micro and Small Enterprises	196.31	629.84
Total	212.02	721.56

Ageing schedule of trade payable is as below

As at 31.03.2022

Particulars	Outstanding for following period from the due date of payment				
	Less than 6 months	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and Small Enterprises	15.71	-	-	-	15.71
(ii) Others	196.31	-	-	-	196.31
(iii) Disputed dues - Micro and Small Enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total Trade Payables	212.02	-	-	-	212.02

As at 31.03.2021

Particulars	Outstanding for following period from the due date of payment				
	Less than 6 months	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and Small Enterprises	91.72	-	-	-	91.72
(ii) Others	629.84	-	-	-	629.84
(iii) Disputed dues - Micro and Small Enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total Trade Payables	721.56	-	-	-	721.56

Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

14.3 Other financial liabilities

Particulars	As at 31.03.2022	As at 31.03.2021
Employee Benefit Expense Payable	170.61	170.68
Unpaid / Unclaimed Dividend	10.75	8.70
Dues to related parties	-	2.29
Security Deposits Received	27.88	24.09
Total	209.24	205.76

15. Provisions

Particulars	As at 31.03.2022	As at 31.03.2021
Income Tax Provision (Net off)	61.46	35.79
Provision for Gratuity	-	1.61
Total	61.46	37.40

16. Other Current Liabilities

Particulars	As at 31.03.2022	As at 31.03.2021
Statutory remittances	19.04	27.05
Expenses Payable	707.09	624.49
Advance from Customers	124.98	36.60
Other payables	-	4.56
Total	851.11	692.70



17. Revenue from operations

Note No.	Particulars	For the year ended March 31 2022	For the year ended March 31 2021
(a)	Sale of Manufactured goods		
	a. Yarn	20,121.93	13,008.65
	b. Waste Cotton	1,091.94	818.34
		21,213.87	13,826.99
(b)	Other operating revenues		
	a. Freight and Forwarding Charges Collection	80.17	66.88
	b. Duty drawback and other export incentives	-	2.07
		80.17	68.95
	Total	21,294.04	13,895.94

18. Other income

Note No.	Particulars	For the year ended March 31 2022	For the year ended March 31 2021
(a)	Interest income (Refer Note 1 below)	5.99	3.26
(b)	Other non-operating income (Refer Note 2 below)	59.59	22.15
(c)	Profit on Sale of Cotton (Net off Purchase)		
	Sale Value	179.46	
	Less : Purchase Cost	176.95	
		2.51	
	Total	68.09	25.41

Note No.	Particulars	For the year ended March 31 2022	For the year ended March 31 2021
1	Interest income comprises:		
	Interest from Deposits	5.72	3.02
	Interest from financial assets at amortised cost	0.27	0.24
	Total - Interest income	5.99	3.26
2	Other non-operating income comprises:		
	Rental income	5.54	8.11
	Sale of wind power	12.48	-
	Net Gain on foreign currency transaction and translation (other than considered as finance cost)	-	0.46
	Other Miscellaneous income	41.57	13.58
	Other non-operating income	59.59	22.15

Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

19. Cost of materials consumed

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Opening stock		
Raw Materials	2,170.48	2,546.91
Work in Progress -Cotton	248.32	171.41
Add: Purchases	15,988.39	8,382.29
Less : Sale of Cotton	176.95	-
	18,230.24	11,100.6
Less: Closing stock		
Raw Materials	3,746.77	2,170.48
Work in Progress -Cotton	241.45	248.32
Cost of material consumed	14,242.02	8,681.81
Material consumed comprises:		
Cotton	14,242.02	8,681.81
Total	14,242.02	8,681.81

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

	For the year ended March 31 2022	For the year ended March 31 2021
Inventories at the end of the year:		
Finished goods	233.46	102.39
Work-in-progress-Yarn	21.00	21.59
Waste cotton	81.07	30.39
	335.53	154.37
Inventories at the beginning of the year:		
Finished goods	102.39	490.37
Work-in-progress-Yarn	21.59	14.91
Waste-cotton	30.39	30.05
	154.37	535.33
Net (increase) / decrease	(181.16)	380.96

21. Employee benefits expenses

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Salaries, wages and bonus	1,735.88	1,255.84
Contributions to provident and other funds	106.96	78.37
Staff welfare expenses	118.64	69.81
Total	1,961.48	1,404.02

22. Finance costs

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
(a) Interest expense on financial liabilities at amortised cost:		
Borrowings	35.99	166.10
(b) Other borrowing costs	58.36	87.58
Total	94.35	253.68



23. Other expenses

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Consumption of stores and spare parts	170.30	120.43
Power, fuel and water charges	854.36	569.97
Rent including lease rentals	2.08	2.03
Repairs and Maintenance - Building	70.29	18.88
Repairs and Maintenance - Machinery	666.26	339.01
Repairs and Maintenance - Others	28.18	17.72
Insurance	99.03	76.87
Rates and Taxes	34.84	42.87
Communication expenses	6.34	3.76
Travelling and Conveyance	9.70	6.20
Printing & Stationery	4.58	4.05
Freight and Forwarding Charges	80.21	68.44
Selling Expenses	79.45	73.79
Donation	5.02	-
Director's sitting fee	4.40	3.60
Business Promotion Expenses	4.16	2.35
Corporate Social Responsibility(CSR) (refer note no. 34)	14.15	10.10
Legal and Professional charges	28.78	22.28
Payments to Auditors(Refer Note -23.1 below)	7.39	7.86
Expected Credit Loss (refer note no. 7.1 (i))	5.32	-
Bad Debt Written off	11.27	-
Non Moving Stock Written off	8.31	-
Miscellaneous Expenses	29.54	20.72
Total	2,223.96	1,410.93

Note 23.1 - Payments to auditors:

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Payments to auditors comprises :		
For Statutory audit fees	2.50	2.50
For Tax Audit	1.50	1.50
For taxation matters	1.10	1.35
For other services		
Limited Review Report	1.35	1.35
Certification Services	0.14	0.36
Others	0.80	0.80
Total	7.39	7.86

Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

Additional information to the financial statements

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

Note No.	Particulars	As at 31.03.2022	As at 31.03.2021
(i)	Contingent liabilities: Disputed claims of TANGEDCO as part of energy supply	52.18	52.18
(ii)	Capital Commitments	997.92	Nil

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

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	15.71	91.72
(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 available with the Management.

The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have confirmed.



26. Employee benefit plans

a. Defined contribution plans - provident fund and employee state insurance

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

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Provident fund	62.81	51.09
Employee state insurance	19.17	14.27

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
PF and Gratuity contribution towards key Managerial	10.59	4.75

b. Defined benefit plan - gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of 'Contribution to provident and other funds' in Note 21 Employee benefit expense. Under this plan, the settlement obligation remains with the Company.

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

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

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, 2022 by actuary. 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.

Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

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

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Components of employer expense		
Current service cost	20.08	19.60
Past service cost	-	-
Interest cost	14.53	12.09
Admin Expenses/Taxes Paid from plan assets	-	-
Expected return on plan assets	(14.81)	(13.78)
Recognised in statement of profit and loss	19.80	17.91
Re-measurement - actuarial (gain)/loss recognised in OCI	(27.01)	8.21
Total expense recognised in the Statement of total comprehensive income	(7.21)	26.12
Other Comprehensive Income (OCI)		
Actuarial (gain)/loss due to DBO experience	(30.57)	18.03
Actuarial (gain)/loss due to Demographic assumptions changes in DBO	-	-
Actuarial (gain)/loss due to DBO assumption changes	(6.16)	(3.16)
Actuarial (gain)/loss arising during period	(36.73)	14.87
Actual return on plan assets (greater)/less interest on plan assets	9.72	(6.66)
Actuarial (gains)/ losses recognized in OCI	(27.01)	8.21
Defined Benefit Cost		
Service cost	20.08	19.60
Admin Expenses/Taxes Paid from plan assets	-	-
Net interest on net defined benefit liability / (asset)	(0.28)	(1.70)
Actuarial (gains)/ losses recognized in OCI	(27.01)	8.21
Defined Benefit Cost	(7.21)	26.11
Change in defined benefit obligation (DBO) during the year		
Present value of DBO at beginning of the year	215.22	174.27
Current service cost	20.08	19.60
Past service cost	-	-
Interest cost	14.53	12.09
Actuarial (gains) / losses	(36.73)	14.87
Acquisitions/Divestures/Transfer	-	-
Benefits paid	(18.32)	(5.60)
Present value of DBO at the end of the year	194.78	215.23
Actual contribution and benefit payments for year		
Actual benefit payments	18.32	5.60
Actual contributions	11.19	0.88
Change in fair value of assets during the year		
Plan assets at beginning of the year	213.61	197.89
Expected return on plan assets	14.81	13.78
Actual company contributions	11.19	0.88
Transfer Out/Divestures	-	-
Admin Expenses/Taxes Paid from plan assets	-	-
Actuarial gain / (loss)	(9.72)	6.66
Benefits paid	(18.32)	(5.60)
Plan assets at the end of the year	211.57	213.61
Actual return on plan assets	5.09	20.44
Current and Non Current Liability portion		



Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Current and Non Current Liability portion		
Current Asset/ (Liability)	16.79	(1.62)
Non Current Asset/ (Liability)	-	-
Net Asset/(Liability)	16.79	(1.62)
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	194.78	215.23
Fair value of plan assets	211.57	213.61
Funded status [Surplus / (Deficit)]	16.79	(1.62)
Net asset / (liability) recognised in the Balance Sheet	16.79	(1.62)
Composition of the plan assets is as follows:		
Insurer managed funds	100%	100%
Total		
*Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer.		
Actuarial assumptions		
Discount rate	7.50%	7.05%
Expected return on plan assets	7.05%	7.05%
Salary escalation	7.00%	7.00%
Attrition rate	5.00%	5.00%

Disclosures under Accounting Standards (contd...)

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:

Gratuity Plan	March 31,2022	March 31,2021
Estimate value of obligation if discount rate is taken 1% higher	181.25	199.16
Estimated value of obligation if discount rate is taken 1% lower	210.48	234.02
Estimate value of obligation if salary growth rate is taken 1% higher	209.35	232.65
Estimate value of obligation if salary growth rate is taken 1% lower	182.06	200.12
Estimate value of obligation if attrition rate is taken 1% higher	194.36	214.38
Estimate value of obligation if attrition rate is taken 1% lower	195.23	216.18

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

Maturity profile of defined benefit obligation:

Maturity profile, if it ensues	As at 31.03.2022
Year 1	16.63
Year 2	9.06
Year 3	7.03
Year 4	11.30
Year 5	7.22
Year 6-10 years	57.65
Above 10 years	85.89

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).

27. 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

The information relating to geographical revenue and non-current asset has been disclosed below :

i) Revenue from Operations - based on location of the customer

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Within India	21,294.04	13,784.10
Outside India	-	111.84
Total	21,294.04	13,895.94

ii) Non current assets

Non-current assets other than financial instruments, deferred tax asset, post-employment benefit asset and rights arising under insurance contracts based on location of the assets.

Particulars	As at 31.03.2022	As at 31.03.2021
Within India	6,700.94	7,161.46
Outside India	-	-
Total	6,700.94	7,161.46



Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

28. Related party Disclosures :

(i) List of related parties with whom transactions have taken place during the year 2021-22 and relationship:

(a) Holding Company	:	Annamallai Retreading Company Private Limited
(b) Subsidiary Company	:	Nil
(c) Key Management Personnel		(e) Others: (Enterprise over which key management personnel are able to exercise significant influence)
Sri S V Alagappan, Managing Director		Anamallais Motors Private Limited
Smt A Lalitha, Joint Managing Director		Shiva Automobiles Private Limited
Sri M Shanmugam, Chief Financial Officer		Coimbatore Anamallais Agencies Private Limited
Smt M Shyamala, Company Secretary		Sakthi Murugan Transports Private Limited
(d) Other related parties		Bannari Amman Automobiles Private Limited
Sri S K Sundararaman, Non Independent Director		Shiva Texyarn Limited
Sri K N V Ramani, Independent Director		
Sri S Palaniswami, Independent Director		
Sri C Sivasamy, Independent Director		
Sri S Marusamy, Independent Director		

(ii) Related Party Transactions:

Name of Transactions	FY 2021 -22		FY 2020-21	
	KMP	Others	KMP	Others
Sale of goods and services				
Shiva Texyarn Limited	-	-		46.90
Purchase of goods and services				
Anamallais Motors Private Limited		0.10		0.15
Shiva Automobiles Private Limited		8.47		2.66
Bannari Amman Automobiles Private Limited		5.05		-
Coimbatore Anamallais Agencies Private Limited		2.14		0.38
Sakthi Murugan Transports Private Limited		1.56		1.56
Sitting fees to Independent Directors		4.40		3.60
Remuneration				
Sri S V Alagappan, Managing Director	130.00		68.00	
Smt A Lalitha, Joint Managing Director	130.00		68.00	
Salary				
Sri M Shanmugam, Chief Financial Officer	15.31		12.68	
Smt.M Shyamala, Company Secretary	12.19		10.28	
Amount Outstanding as at year end				
(i) Receivables - Shiva Texyarn Limited	-	-	-	18.37
(ii) Payables - Managerial Remuneration	173.02	-	-	-
(iii) Write off / Write back	-	-	-	-

29. Earnings per equity share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to equity shareholders (₹)	1,765.86	855.41
Weighted average number of equity shares (Nos.)	86,41,808	86,41,808
Par value per equity share (₹)	10.00	10.00
Earning per share - Basic & Diluted (₹)	20.43	9.90

Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

30A. Income Tax recognised:

Particulars	For the year ended 31 March, 2022		For the year ended 31 March, 2021	
	Statement of profit and loss	Other comprehensive income	Statement of profit and loss	Other comprehensive income
Current Tax:				
In respect of current year	705.70	-	373.27	-
In respect of prior years	31.32	-	-	-
Deferred Tax:				
In respect of current year	(52.47)	-	(7.00)	-
Income tax expense	684.55	-	366.27	-

30B. Movement in deferred tax balances

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other comprehensive income	Closing Balance
Year ended 31.03.2022				
Tax effect of items constituting deferred tax asset				
Provision for Expected credit loss	-	1.34	-	1.34
On disallowance under the Income Tax Act	105.67	0.63	(6.80)	99.50
Tax effect of items constituting deferred tax asset	105.67	1.97	(6.80)	100.84
Tax effect of items constituting deferred tax (liability)				
On difference between book balance and tax balance of fixed assets	(460.68)	50.50	-	(410.18)
Tax effect of items constituting deferred tax (liability)	(460.68)	50.50	-	(410.18)
Net Deferred tax asset/(liability)	(355.01)	52.47	(6.80)	(309.34)
Year ended 31.03.2021				
Tax effect of items constituting deferred tax asset				
On disallowance under the Income Tax Act	102.18	3.49	-	105.67
Tax effect of items constituting deferred tax asset	102.18	3.49	-	105.67
Tax effect of items constituting deferred tax (liability)				
On difference between book balance and tax balance of fixed assets	(464.19)	3.51	-	(460.68)
Tax effect of items constituting deferred tax (liability)	(464.19)	3.51	-	(460.68)
Net Deferred tax asset/(liability)	(362.01)	7.00	-	(355.01)



30C. Tax expense

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
A. Current Tax		
Current tax on profit for the year	705.70	373.27
Total (A)	705.70	373.27
B. Deferred Tax		
Origination and reversal of temporary differences	(52.47)	(7.00)
Charge in respect of deferred tax for earlier years	-	-
Total (B)	(52.47)	(7.00)
C. Prior year Tax		
Change / (Credit) in respect of current tax for earlier years	31.32	-
Total (C)	31.32	-
D. Tax expense recognized in Statement of Profit and Loss - (A)+(B)+(C)	684.55	366.27
E. Tax expense recognized in Other Comprehensive Income	(6.80)	-
Total Tax Expense / (benefit)	691.35	366.27

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

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Profit/(loss) before tax	2,450.41	1,221.68
Enacted tax rate	25.17%	25.17%
Expected income tax expense/(benefit) at statutory tax rate	616.77	307.50
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses not deductible in determining taxable profits	6.00	6.87
Others	61.78	51.90
Tax expense recognized in Other Comprehensive Income	6.80	-
Tax expense for the year	691.35	366.27
Effective income tax rate	26.66%	29.98%

Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

31. Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2022, March 31, 2021 is as follows:

Financial assets

Particulars	Note Numbers	Carrying Value		Fair Value	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Amortised cost					
Advance	7.3	0.73	5.40	0.73	5.40
Banked energy Units	7.3	12.47		12.47	
Trade receivable	7.1	1,523.80	1,059.35	1,523.80	1,059.35
Cash and cash equivalents	7.2	184.03	377.17	184.03	377.17
Bank Balance other than above	7.2	10.75	8.70	10.75	8.70
FVTOCI					
Investment in equity instruments (unquoted)	4.0	42.03	0.03	42.03	0.03
Total assets		1,773.81	1,450.65	1,773.81	1,450.65

Financial liabilities

Particulars	Note Numbers	Carrying Value		Fair Value	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Amortised cost					
Borrowings	11.1 & 14.1	790.81	378.20	790.81	378.20
Trade payables	14.2	212.02	721.56	212.02	721.56
Other financial liabilities and lease liabilities	11.2 & 14.3	211.10	210.40	211.10	210.40
Total liabilities		1,213.93	1,310.16	1,213.93	1,310.16

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. ii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2022 was assessed to be insignificant.

32. 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, 2022, March 31, 2021



Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2022

Particulars	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Asset				
Advance	-	0.73	-	0.73
Banked energy Units	-	12.47	-	12.47
Trade receivable	-	1,523.80	-	1,523.80
Cash and cash equivalents	-	184.03	-	184.03
Bank Balance other than above	-	10.75	-	10.75
FVTOCI				
Investments - Non - current - Unquoted	-	-	42.03	42.03
Financial liabilities				
Amortised cost				
Borrowings	-	790.81	-	790.81
Trade payables	-	212.02	-	212.02
Other financial liabilities and lease liabilities	-	211.10	-	211.10

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2021

Particulars	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Asset				
Amortised cost				
Advance	-	5.40	-	5.40
Trade receivable	-	1,059.35	-	1,059.35
Cash and cash equivalents	-	377.17	-	377.17
Bank Balance other than above	-	8.70	-	8.70
Investments - Non - current - Unquoted	-	-	0.03	0.03
Financial liabilities				
Amortised cost				
Borrowings	-	378.20	-	378.20
Trade payables	-	721.56	-	721.56
Other financial liabilities and lease liabilities	-	210.40	-	210.40

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings and other current financial liabilities are a reasonable approximation of their fair values.

Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

Valuation technique used to determine fair value

The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings and other current financial liabilities are a reasonable approximation of their fair values. The estimated fair value amounts as at March 31, 2022 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end. The investments in Level-3 hierarchy has been valued at cost approach to arrive at the fair value as there is wide range of possible fair value measurement and the cost represents the estimate of fair value within that range considering the purpose and restriction on the transferability of the instruments. There were no transfers between Level 1, Level 2 and Level 3 during the year.

33. 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 10 customers:

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Revenue from top customer	2,791.74	1,971.43
Revenue from top 10 customers	7,950.27	5,189.05

One customer accounted for more than 10% of the revenue for the year ended March 31, 2022, One customer accounted for more than 10% of the receivables for the year ended March 31, 2022. One customer accounted for more than 10% of the revenue for the year March 31, 2021, however Two customers accounted for more than 10% of the receivables for the year ended March 31, 2021.



Investments

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

Liquidity risk

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

The working capital position of the Company is given below:

Particulars	Note Number	As at 31.03.2022	As at 31.03.2021
Cash and cash equivalents	7.2	184.03	377.17
Total		184.03	377.17

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

Particulars	As at	On demand	Less than 1 year	Between 1-5 years	More than 5 years
Borrowings					
(i) Short term Borrowings					
March 31, 2022		790.81	-	-	-
March 31, 2021		297.20	-	-	-
(ii) Long term Borrowings					
March 31, 2022		-	-	-	-
March 31, 2021		-	-	81.00	-
Trade payables					
March 31, 2022		-	212.02	-	-
March 31, 2021		-	721.56	-	-
Other financial liabilities					
March 31, 2022		-	209.24	-	-
March 31, 2021		-	205.76	-	-

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

Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2022 and March 31, 2021

Particulars	As at	USD	EURO	Pound /Sterling	Total
Assets					
Trade receivables	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	-
Liabilities					
Trade payable	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	-
Borrowings					
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	-
Net assets/(liabilities)					
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	-

Foreign currency sensitivity analysis

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

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

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Impact on profit or (loss) for the year	Nil	Nil

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 2022	For the year ended March 31 2021
Increase / (decrease) in the Profit for the year	(8.31)	(21.75)

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 capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term /long term debt as may be appropriate.



Notes to the financial statements for the year ended March 31, 2022

₹ in Lakhs

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

The following table summarizes the capital of the Company:

Particulars	As at 31.03.2022	As at 31.03.2021
Cash and cash equivalents	184.03	377.17
Total cash (a)		
Non-current borrowings	-	81.00
Current borrowings	709.81	189.20
Current maturities of non-current borrowings	81.00	108.00
Total borrowings (b)	790.81	378.20
Net debt c=(b-a)	606.78	1.03
Share capital	864.18	864.18
Other Equity	9,908.13	8,208.49
Total equity (d)	10,772.31	9,072.67
Gearing ratio (c/d)	0.06	0.00

34. CSRExpenditure:

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
a. Gross Amount required to be spent by the Company during the year	14.21	10.04
b. Amount spent during the year	15.50	10.10
Nature of CSR activities		
a. Promoting education in rural areas	14.00	10.10
b. Contribution for Covid-19 disaster management fund	1.50	-
where provision is made with respect to liability incurred by entering into a contractual obligation, the movements in the provision during the year	N.A	N.A
Amount available for set off in succeeding Financial Years		
FY 2020-2021	0.06	0.06
FY 2021-2022	1.29	-
Total	1.35	0.06

Notes to the financial statements for the year ended March 31, 2022

35. Ratios

Sl. No.	Type of Ratio	Parameter	Numerator	Denominator	2021-22	2020-21	% Variance	Remark (if change more than 20%)
1	Current Ratio	Times	Current Assets	Current Liability	3.06	2.20	39.00%	Higher efficiency on working capital improvement has resulted in an improvement in the ratio.
2	Debt to Equity ratio	Times	Long term Borrowings + Lease Liability	Share Holders Equity	0.07	0.04	74.38%	Reduction / repayment in term loan
3	Debt service coverage ratio	Times	Earning Available for Debt Service	Interest + installment	14.76	4.72	212.68%	Increase in Profit and decrease in repayment of term loan
4	Return on Equity ratio	%	Net profit after tax	Average Shareholder's Equity	17.80	9.89	80.02%	Better operating performance
5	Inventory turnover ratio	Times	Revenue from operation	Average Inventory	5.96	4.59	29.71%	Increase in Turnover resulting in decreasing inventory holding time
6	Trade receivables turnover ratio	Times	Revenue from operation	Average Receivables	16.49	7.49	120.06%	Increase in Trade receipt as on 31st March 2022 as compared to previous year
7	Trade Payables turnover ratio	Times	Purchases	Avg Trade Payable	34.25	11.64	194.24%	Increase in Trade payables as on 31st March 2022 as compared to previous year
8	Working Capital turnover ratio	Times	Revenue from operation	Working Capital	4.86	5.91	-17.75%	Increase in Net profit margin due to higher EBITA consequently improvement in profitability
9	Net Profit ratio	%	Net profit after tax	Revenue from operation	8.29%	6.16%	34.71%	Increase in Profit
10	Return on capital employed	%	EBIT	Average Capital employed	23.62%	16.26%	45.27%	Increase in Profitability
11	Return on Investments	-	-	No return on investment is received	-	-	-	-



36. Disclosure under Ind AS 116 - Leases

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Depreciation Charge for right of use assets by class of underlying asset	2.72	2.72
Interest Expense on Lease Liabilities	0.31	0.62
Expense relating relating to low value leases	0.26	0.33
Total Cash outflow for leases	0.26	0.33
Carrying amount of right of use assets at the end of the reporting period by class of underlying asset	0.85	3.57

Maturity Analysis

Particulars	FY 2021-22	FY 2020-21
Lease Liabilities		
Within one year	1.86	4.64
1-5 years	-	-
More than 5 years	-	-

Description of the Property	Date of Commencement	Date of Closure	Period of Lease
Marketing office rent, Tirupur	02/09/2019	01/09/2022	3
Head Office rent, Coimbatore	01/06/2019	31/05/2022	3

Weighted Average incremental borrowings rate used to recognised lease liability in the balance sheet is 12%

37. All the figures are in lakhs unless otherwise stated. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure
38. The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period in which the said code becomes effective and the rules framed thereunder are published
39. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.



Notes to the financial statements for the year ended March 31, 2022

40. There are no proceedings initiated or pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and the rules made there under.
41. Company has not entered into any transactions with companies struck off under Companies Act, 2013.
42. The company has not been declared as a wilful defaulter by any bank or financial institution.
- 43.
- (i) The company has not advanced or loaned or invested any fund, which are material either individually or in aggregate (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- ii) The company has not received any fund, which are material either individually or in aggregate, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

44. Events after reporting period

The Board of Directors, at their meeting held on 25th May, 2022 recommended a final dividend of ₹.1.20/- per equity share for the year ended March 31, 2022 (previous year final dividend of ₹ 1.00/- per share), subject to approval of shareholders. On approval, the dividend outgo is expected to be ₹ 103.70/- Lakhs based on number of shares outstanding as at March 31, 2022.

Significant Accounting Policies and the accompanying notes are an integral part of the financial statements

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In terms of our report attached

For and on behalf of the Board of Directors

For VKS AIYER & Co
Chartered Accountants
Firm Registration No.000066S

S V ALAGAPPAN
Chairman & Managing Director
DIN: 00002450

A LALITHA
Joint Managing Director
DIN: 00003688

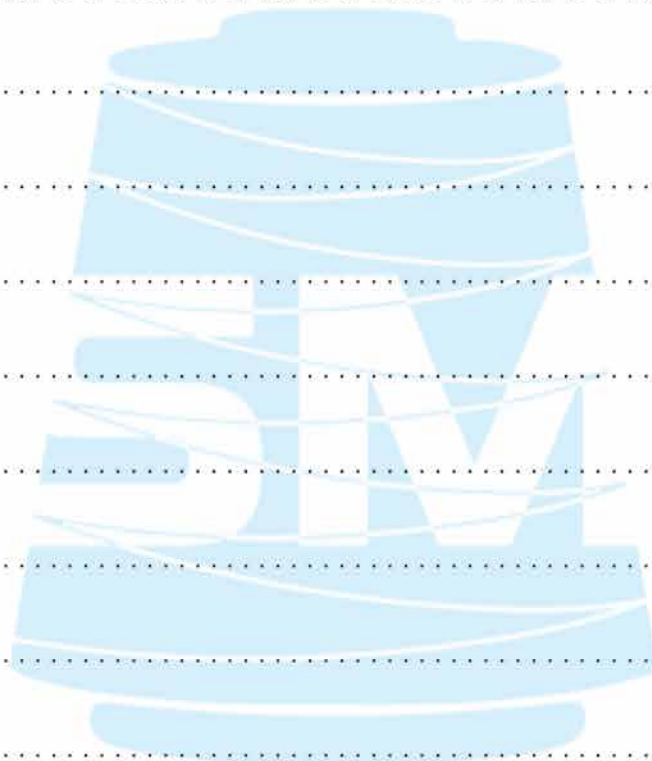
V S SRINIVASAN
Partner
Membership No. 013729

M SHANMUGAM
Chief Financial Officer

M SHYAMALA
Company Secretary
ACS No. 24464

Place: Coimbatore
Date : 25th May, 2022

Notes







SHIVA MILLS LIMITED

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Coimbatore - 641 043, Tamil Nadu, India
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