



## NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that the 6<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Monday the 20<sup>th</sup> September, 2021 at 9.30 AM 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 31<sup>st</sup> March, 2021, the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Sri S V Alagappan, (DIN 00002450) who retires by rotation and being eligible, offers himself for re-appointment.
4. **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 139 of the Companies Act, 2013 and the rules made thereunder, M/s VKS Aiyer & Co, Chartered Accountants, Coimbatore (Firm Registration No: 000066S) be and are hereby appointed as Auditors of the Company, for a further period of 5 years to audit the Accounts of the Company from the Financial Year 1.4.2021 to 31.3.2026 from conclusion of the 6<sup>th</sup> Annual General Meeting until the conclusion of the 11<sup>th</sup> Annual General Meeting to be held in the calendar year 2026 and that the Chairman of the Company be and is hereby authorized to fix their remuneration.

### SPECIAL BUSINESSES

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

**RESOLVED** that in partial modification of earlier resolution passed in this regard the approval of the Shareholders be and is hereby accorded the following Minimum Remuneration be paid to Sri S V Alagappan, Managing Director (DIN 00002450) for the remaining period of his tenure of office from 1.4.2021 to 30.8.2022:

#### MINIMUM REMUNERATION:

- a. **BASIC SALARY** : Rs.3,00,000/- (Rupees Three Lakhs only) per month;
- b. **ALLOWANCES** : An amount not exceeding annual Basic Salary
- c. **PERQUISITES** (not included in the above remuneration):
  - I. Contribution to Provident Fund @ 12% on basic salary and to the extent the same is not taxable under the relevant provisions of Income Tax Act, 1961.
  - II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.



**RESOLVED FURTHER** that there shall be no other changes in the terms and conditions of appointment of the Managing Director during the current tenure of office, except the provision for Minimum Remuneration being made for the remaining period of his office from 1.4.2021 to 30.8.2022.

**RESOLVED FURTHER** that the aforesaid remuneration is payable notwithstanding the situation where the Company has no profits or its profits are inadequate during the relevant financial year.

**RESOLVED FURTHER** that draft Memorandum Under Section 190(1)(b) of the Companies Act, 2013, setting out the terms and conditions of the remuneration to Managing Director, placed before the Board be and is hereby approved and that the same be signed by Smt M Shyamala, Company Secretary on behalf of the Company.

**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 already attained the age of 70 years on payment of modified remuneration approved by the Board.

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

**RESOLVED** that in partial modification of earlier resolution passed in this regard the approval of the Shareholders be and is hereby accorded the following Minimum Remuneration be paid to Smt A Lalitha, Joint Managing Director (DIN 00003688) for the remaining period of her tenure of office from 1.4.2021 to 30.8.2022:

**MINIMUM REMUNERATION:**

- a. **BASIC SALARY** : Rs.3,00,000/- (Rupees Three Lakhs only) per month;
- b. **ALLOWANCES** : An amount not exceeding annual Basic Salary
- c. **PERQUISITES** (not included in the above remuneration):
  - I. Contribution to Provident Fund @ 12% on basic salary and to the extent the same is not taxable under the relevant provisions of Income Tax Act, 1961.
  - II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

**RESOLVED FURTHER** that there shall be no other changes in the terms and conditions of appointment of the Joint Managing Director during the current tenure of office, except the provision for Minimum Remuneration being made for the remaining period of her office from 1.4.2021 to 30.8.2022.

**RESOLVED FURTHER** that the aforesaid remuneration is payable notwithstanding the situation where the Company has no profits or its profits are inadequate during the relevant financial year.

**RESOLVED FURTHER** that draft Memorandum Under Section 190(1)(b) of the Companies Act, 2013, setting out the terms and conditions of the remuneration to Joint Managing Director, placed before the Board be and is hereby approved and that the same be signed by Smt M Shyamala, Company Secretary on behalf of the Company.



**7. 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 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 31<sup>st</sup> March, 2022 be and is hereby ratified and confirmed.

Coimbatore  
23<sup>rd</sup> June, 2021

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 5

Sri S V Alagappan (DIN 00002450) was appointed as a Managing Director of the Company for a period of five years with effect from 31.8.2017 and his tenure of office ends on 30.8.2022. The Board of Directors have proposed to revise the remuneration payable to Sri S V Alagappan after considering the following grounds.

Sri S V Alagappan was appointed as Managing Director of the Company for a period of Five (5) years w.e.f 31.8.2017, after getting the required approvals. He was eligible for minimum remuneration for a period of 3 years commencing from 31.8.2017, in the absence or inadequacy of profits. The remuneration package was a fixed one and without any time-scale increment during the said period of 3 years. As per present resolution of Shareholders, he is eligible for remuneration @ 5% of the net profits of the Company for the remaining period of two (2) years upto 30.8.2022.

The services rendered by Sri S V Alagappan, for the sustainment and development of the Company over the tenure of Office, his leadership and understanding of the basics of the business, particularly during the COVID-19 pandemic periods his dedicated micro management skills, have been instrumental in the development of the Company over the years.

The Board of Directors opined that his continued association would be beneficial for the future growth of the Company also.

As per the amended provisions of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013, managerial remuneration may be paid without any ceiling limit with the approval of Shareholders by way of Special Resolution.

Based on the aforesaid facts, considering the progress made by the Company under his dynamic leadership and considering the industry benchmarks for the remuneration for similar position, the Board considered and fixed the remuneration payable to him with effect from 1.4.2021, as recommended by Nomination and Remuneration Committee at their meeting held on 6.2.2021.

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 pursuant to Section 196 (3) of the Companies Act, 2013 to Sri S V Alagappan, who attained the age of 70 years. The Board recommended the aforesaid resolution 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.

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

Except Sri S V Alagappan, the appointee, 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.5.

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

S. No	Name of the Appointee - Sri S V Alagappan	
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 2020-21 (Rs. in Lakhs) Gross Revenue : 13921.35 Profit after Tax : 839.34 Rate of Dividend : 10% Earnings Per share : 9.90
	5) Foreign investments or collaborators, if any	The Company has not made any foreign investments or collaborators
II	Information about the appointee:	
	1) Background details	Sri S V Alagappan, holds B.Com., B.L., degree. He is associated with the Textile Industry for about three decades.  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.
	2) Past remuneration	Year in Rs. Lakhs 2019-20 67.68 2018-19 67.68 2017-18 67.68
	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.



5) Remuneration proposed	<p><b>MINIMUM REMUNERATION:</b></p> <p>a. <b>BASIC SALARY</b> : Rs.3,00,000/- (Rupees Three Lakhs only) per month;</p> <p>b. <b>ALLOWANCES</b>: An amount not exceeding annual Basic Salary</p> <p>c. <b>PERQUISITES</b> (not included in the above remuneration):</p> <p>I. Contribution to Provident Fund @ 12% on basic salary and to the extent the same is not taxable under the relevant provisions of Income Tax Act, 1961.</p> <p>II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.</p> <p><b>RESOLVED FURTHER</b> that there shall be no other changes in the terms and conditions of appointment of the Managing Director during the current tenure of office, except the provision for Minimum Remuneration being made for the remaining period of his office from to 1.4.2021 to 30.8.2022.</p> <p><b>RESOLVED FURTHER</b> that the aforesaid remuneration is payable not with standing the situation where the Company has no profits or its profits are inadequate during the relevant financial year.</p> <p><b>RESOLVED FURTHER</b> that draft Memorandum Under Section 190(1)(b) of the Companies Act, 2013, setting out the terms and conditions of the remuneration to Managing Director, placed before the Board be and is hereby approved and that the same be signed by Smt M Shyamala, Company Secretary on behalf of the Company.</p> <p><b>RESOLVED FURTHER</b> 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 already attained the age of 70 years on payment of modified remuneration approved by the Board.</p>
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.



	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 Joint Managing Director
<b>III</b>	<b>Other information:</b>	
	1) Reasons of loss or inadequate profits	NA
	2) Steps taken or proposed to be taken for improvement	NA
	3) Expected increase in productivity and profits in measurable terms	NA

**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
Age	79 Years
Qualification	B.Com., B.L
Experience	He has more than 37 years of experience in Textile Industry.
Terms and conditions of appointment or re-appointment	Terms of Appointment for 5 years with effect from 31.8.2017
Last drawn remuneration	Rs.67,68,000
Date of first appointment on the Board	24.11.2015
No.of shares held	21,780
Relationship with Directors, Managers and KMP	Father of Smt A Lalitha, Joint Managing Director
No. of Board Meetings attended during 2020-2021	4 out of 4 meetings held.
Other Directorship	Shiva Texyarn Limited Vadivelan Agencies Limited Anamallais Cars Private Limited Annamallai Retreading Company Private Limited Bannari Amman Automobiles Private Limited Shiva Automobiles Private Limited Vadivelan Enterprises Private Limited



Member of Committee	Nil
Chairman/Member of the Committees of the Boards of other Companies	Shiva Texyarn Limited Stakeholders Relationship Committee - Chairman

## ITEM 6

Smt A Lalitha, Joint Managing Director of the company is associated with the Textile Industry/business nearly 15 years. She was appointed as Joint Managing Director of the Company for a period of 5 years with effect from 31.8.2017, after getting the required approvals. She was eligible for a minimum remuneration for a period of 3 years commencing from 31.8.2017, in the absence or inadequacy of profits. The remuneration package was fixed one and without any Time-scale increment during the said period of 3 years. As per present resolution of shareholders, she is eligible for remuneration @ 5% of the Net Profits of the Company for the remaining period of two (2) years upto 30.8.2022.

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 opined that her continued association would be beneficial for the future growth of the Company also.

As per the amended provisions of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013, a managerial remuneration may be paid without any ceiling limit with the approval of Shareholders by way of Special Resolution.

Based on the aforesaid facts, considering the progress made by the Company under her dynamic leadership and considering the industry benchmarks for the remuneration for similar position, the Board considered and fixed the remuneration payable to her with effect from 1.4.2021, as recommended by Nomination and Remuneration Committee at their meeting held on 6.2.2021.

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.

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

Except Smt A Lalitha, the appointee, 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.6.

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

S. No	Name of the Appointee - Smt A Lalitha	
<b>I</b>	<b>General Information</b>	
	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 2020-21 (Rs. in Lakhs) Gross Revenue : 13,921.35 Profit after Tax : 839.34 Rate of Dividend : 10% Earnings Per share : 9.90								
	5) Foreign investments or collaborators, if any	The Company has not made any foreign investments or collaborators								
II	Information about the appointee:									
	1) Background details	Smt A Lalitha, holds B.Com., degree. She is associated with the Textile Industry for about 16 years. 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.								
	2) Past remuneration	<table><tr><td>Year</td><td>in Rs.in Lakhs</td></tr><tr><td>2019-20</td><td>67.68</td></tr><tr><td>2018-19</td><td>67.68</td></tr><tr><td>2017-18</td><td>39.48</td></tr></table>	Year	in Rs.in Lakhs	2019-20	67.68	2018-19	67.68	2017-18	39.48
Year	in Rs.in Lakhs									
2019-20	67.68									
2018-19	67.68									
2017-18	39.48									
	3) Recognition or awards	--								
	4) Job profile and her suitability	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.								
	5) Remuneration proposed	<b>MINIMUM REMUNERATION:</b> a. <b>BASIC SALARY</b> : Rs.3,00,000/- (Rupees Three Lakhs only) per month; b. <b>ALLOWANCES</b> : An amount not exceeding annual Basic Salary c. <b>PERQUISITES</b> (not included in the above remuneration):  I. Contribution to Provident Fund @ 12% on basic salary and to the extent the same is not taxable under the relevant provisions of Income Tax Act, 1961. II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.								



		<p><b>RESOLVED FURTHER</b> that there shall be no other changes in the terms and conditions of appointment of the Joint Managing Director during the current tenure of office, except the provision for Minimum Remuneration being made for the remaining period of her office from to 1.4.2021 to 30.8.2022.</p> <p><b>RESOLVED FURTHER</b> that the aforesaid remuneration is payable notwithstanding the situation where the Company has no profits or its profits are inadequate during the relevant financial year.</p> <p><b>RESOLVED FURTHER</b> that draft Memorandum Under Section 190(1)(b) of the Companies Act, 2013, setting out the terms and conditions of the remuneration to Joint Managing Director, placed before the Board be and is hereby approved and that the same be signed by Smt M Shyamala, Company Secretary on behalf of the Company.</p>
	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.
	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 to the extent of remuneration drawn by her as Managing Director
<b>III</b>	<b>Other information:</b>	
	1) Reasons of loss or inadequate profits	NA
	2) Steps taken or proposed to be taken for improvement	NA
	3) Expected increase in productivity and profits in measurable terms	NA