

# HIMACHAL FIBRES LIMITED

## ANNUAL REPORT 2020-21



[www.himachalfibre.com](http://www.himachalfibre.com)

# HIMACHAL FIBRES LIMITED



## HIMACHAL FIBRES LIMITED CORPORATE INFORMATION

### BOARD OF DIRECTORS & DESIGNATION

**Mr. Surjit Singh**

*Chairman, Non-Executive & Independent Director*

**Mr. Gian Chand Thakur**

*Whole time Director*

**Mr. Manoj Kumar**

*Non-Executive & Non-Independent Director*

**Mrs. Malkeet Kaur**

*Non-Executive & Independent Director*

### BOARD COMMITTEES

**Audit Committee**

Mr. Surjit Singh (Chairperson)

Mr. Gian Chand Thakur

Mrs. Malkeet Kaur

**Nomination & Remuneration Committee**

Mrs. Malkeet Kaur (Chairperson)

Mr. Manoj Kumar

Mr. Surjit Singh

**Stakeholders Relationship Committee**

Mr. Surjit Singh (Chairperson)

Mr. Gian Chand Thakur

Mrs. Malkeet Kaur

### KEY EXECUTIVE OFFICERS

**Mr. Navrattan Sharma**

*Chief Financial Officer*

**Mrs. Laxmi Khatri**

*Company Secretary & Compliance Officer*

### STATUTORY AUDITORS

**Manjul Mittal & Associates**

*Chartered Accountants*

32, Green Enclave, Near Ferozepur Road,

Octroi Post, Barewal, Ludhiana-141001

### SECRETARIAL AUDITORS

**Rajeev Bhambri & Associates**

*Company Secretaries in Practice*

SCO-9, 2<sup>nd</sup> Floor, Jandu Tower,

Miller Ganj, Ludhiana-141003

### BANKERS

**State Bank of India**

Sunder Nagar, Ludhiana-141007

### REGISTRAR & SHARE TRANSFER AGENT

**Beetal Financial & Computer Services (P) Ltd.**

Beetal House, 3<sup>rd</sup> Floor, 99, Madangir,

Behind Local Shopping Centre,

Near Dada Harsukh Dass Mandir, New Delhi – 110062,

### REGISTERED OFFICE/ WORKS

Plot No. 43-44, Industrial Area,

Barotiwala-174 103 (Himachal Pradesh)

### CORPORATE OFFICE

8-L, Model Town, Backside Hotel

Chevron, Ludhiana-141002 (Punjab)

### 40<sup>TH</sup> ANNUAL GENERAL MEETING

**DAY:** Tuesday

**DATE:** 28<sup>th</sup> September, 2021

**TIME:** 04:30 P.M.

**PLACE:** Video Conferencing

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## NOTICE

Notice is hereby given that the **40<sup>th</sup> Annual General Meeting (AGM)** of the members of the Company will be held on Tuesday, the 28<sup>th</sup> day of September, 2021 at 04.30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") as per the detailed instructions stated hereinafter, to transact the following businesses:-

### **ORDINARY BUSINESS:**

- 1. To receive, consider and adopt the Audited Financial Statements as at March 31<sup>st</sup> 2021, together with the Report of Auditors and Directors thereon.**
- 2. To appoint a Director in place of Mr. Manoj Kumar (DIN: 06872575), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.**

### **SPECIAL BUSINESS:**

- 3. To re-appoint Mr. Surjit Singh (DIN: 07143372) as an Independent director of the Company.**

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 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, basis of recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, **Mr. Surjit Singh (DIN: 07143372)** an Independent Director of the Company, whose term as an independent director expired on 13<sup>th</sup> November 2021 and who has submitted a declaration, to that effect that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment for a second term under the provisions of the Act and rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom a notice in writing under Section 160 of the Act, as amended has been received in the prescribed manner, be and is, hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a further period of 5 (five) consecutive years w.e.f. 14<sup>th</sup> November 2021 upto 13<sup>th</sup> November, 2026.

**RESOLVED FURTHER THAT** Mr. Manoj Kumar, Director (DIN: 06872575) and Mrs. Laxmi Khatri, Company Secretary and Compliance Officer be and are hereby severally authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution."

- 4. To re-appoint Mr. Gian Chand Thakur (DIN: 07006447), as a Whole Time Director of the Company.**

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

**"RESOLVED THAT** pursuant to Provisions of Section 152, 196, 197, 198, 203 and Schedule V and all other provisions applicable, if any, (including any statutory modifications or re-enactment thereof, for the time being in force), read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other statutory approval if any, the Company hereby re-appoints Mr. Gian Chand Thakur (DIN: 07006447), as a Whole Time Director for a period of Five (5) years commencing from October 01<sup>st</sup> 2021 to September 30<sup>th</sup> 2026, with such remuneration as recommended by Nomination and Remuneration Committee as set out in the explanatory statement Item No. 4 appended hereto and forming part of this Notice and with liberty to the Board of Directors to alter, vary or modify the terms and conditions of the said re-appointment and / or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Gian Chand Thakur (DIN: 07006447), subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 and SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modification or re-enactment thereof.

**RESOLVED FURTHER THAT** Mr. Manoj Kumar, Director (DIN: 06872575) and Mrs. Laxmi Khatri, Company Secretary and Compliance Officer be and are hereby severally authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution."

**By Order of the Board  
For Himachal Fibres Limited  
Sd/-  
(Laxmi Khatri)**

**Company Secretary & Compliance Officer**

**Place: Ludhiana**

**Dated: August 14<sup>th</sup> 2021**



<b>Registered Office:</b> Plot No.43-44, Industrial Area, Barotiwala-174 103 (Himachal Pradesh) <b>Corporate Office:</b> 8-L, Model Town, Backside Hotel Chevron Ludhiana-141002 (Punjab)	<b>CIN: L17119HP1980PLC031020</b> <b>Website: <a href="http://www.himachalfibre.com">www.himachalfibre.com</a></b> <b>Email: <a href="mailto:hfl.corporate@gmail.com">hfl.corporate@gmail.com</a></b>
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## NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("Act") with respect to the special business set out in the Notice is annexed hereto. Additional information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 in respect of Director seeking appointment / reappointment at the meeting is enclosed as Annexure to this Notice.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming 40<sup>th</sup> AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
4. The Members can join the 40<sup>th</sup> AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. The Notice of AGM along with Annual Report for the financial year 2020-21, is available on the website of the Company at [www.himachalfibres.com](http://www.himachalfibres.com) and on the website of Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website Central depository Services (India) Limited at [www.evotingindia.com](http://www.evotingindia.com).
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their



AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

10. As the AGM shall be conducted through VC/OAVM, the Attendance Slip and the Route Map of the venue are not annexed to this Notice. Further, the facility of appointment of proxy by the Member is not available for the meetings held through VC/OAVM; hence the Proxy Form is not annexed to this Notice.
11. Institutional/Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution/s authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com)
12. In accordance with, the General Circular No. 20/2020 dated 5 May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
13. The Register of Members and the Share Transfer Books of the Company shall remain closed from September 22<sup>nd</sup> 2021 to September 28<sup>th</sup> 2021 (both days inclusive).
14. Participation of members through VC/OAVM will be reckoned for the purpose of quorum of the AGM as per section 103 of the Act.
15. The Required Registers of the Companies Act shall be available for inspection of the Members of the Company from the date of Notice to till the conclusion of 40<sup>th</sup> Annual General Meeting. The Members may send request for the inspection by sending mail at [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com)
16. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.
17. Voting through electronic means:  
In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
18. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/OAVM and who have not casted their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
19. Pursuant to SEBI circular, shareholders whose ledger folios do not have or have incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the details to the RTA/company for registration in their folio. The Companies Act, 2013, and rules made there under also require further details to be submitted to the Company like PAN, email address, father's/mother's/spouse's name and bank particulars. Members holding shares in electronic form are therefore requested to submit PAN and other details to their Depository Participants with whom they are maintaining demat accounts.
20. Pursuant to SEBI circular, shareholders holding shares in physical form has mandated to convert their shares in dematerialization form for carried out the transfer of shares effective.
21. We urge members to support our commitment to the situation of COVID 19 & environmental protection by choosing their shareholding communication through email. You can do this by updating your email address with your depository participants/RTA.
22. Pursuant to the provisions of the Act, read with Companies (Significant Beneficial Owners) amendments Rules, 2019 ("the Rules") notified by the Ministry of Corporate Affairs on 08 February, 2019, an Individual, who acting alone or together, or through one or more persons or trusts, Body Corporates, HUF, Partnership firms, Investment vehicle, becomes a significant beneficial owner or where his/her significant beneficial ownership undergoes any change in Company, shall file declaration in prescribed forms with



the Company. The significant beneficial ownership for this purpose shall mean individually or together holding of 10% or more of the shares or voting rights in the Company. Therefore, if applicable, the Members are requested to file necessary declaration in BEN -1 with the Company. The aforesaid Rules and the relevant provisions of the Act with format are available at <http://ebook.mca.gov.in/default.aspx>. For any clarification the Members may contact the Company by writing an Email on [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com)

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on Saturday 25<sup>th</sup> September, 2021 at 09:00 A.M. and ends on Monday 27<sup>th</sup> September, 2021 at 05:00 P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday 27<sup>th</sup> August, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers’ website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>



<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a> Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

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

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:



For Physical shareholders and other than individual shareholders holding shares in Demat	
<b>PAN</b>	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
<b>OR Date of Birth (DOB)</b>	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant “Himachal Fibres Limited”/ “Electronic Voting Sequence Number” of Himachal Fibres Limited.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.





- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com) or [rajeev.bhambri@gmail.com](mailto:rajeev.bhambri@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- i. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
- ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- iii. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
- iv. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- v. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- vi. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vii. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com) The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com) These queries will be replied to by the company suitably by email.
- viii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- ix. Only those shareholders, who are present in the AGM/EGM through VC/OAVM 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 system available during the EGM/AGM.
- x. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com)/[beetalrta@gmail.com](mailto:beetalrta@gmail.com).
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.



Subject to the receipt of requisite number of Votes, the resolutions shall be deemed to be passed on the date of AGM i.e. September 28<sup>th</sup> 2021.

**By Order of the Board  
For Himachal Fibres Limited  
Sd/-  
(Laxmi Khatri)**

**Company Secretary & Compliance Officer**

**Place: Ludhiana**

**Dated: August 14<sup>th</sup> 2021**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 3**

Pursuant to the provisions of the Companies Act, 2013 (hereinafter referred to as the Act), the Directors of the Company appointed Mr. Surjit Singh (DIN: 07143372) as an Independent Director with effect from November 14<sup>th</sup> 2018 to holds office upto November 13<sup>th</sup> 2021. The Nomination and Remuneration Committee, have recommended the re-appointment of Mr. Surjit Singh (DIN: 07143372) as an Independent Director for a further period of 5 years from November 14<sup>th</sup>, 2021 to November 13<sup>th</sup>, 2026.

Mr. Surjit Singh (DIN: 07143372) is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as an Independent Director of the Company. As per the provisions of section 149 of the Act, an Independent Director shall be eligible for re-appointment by passing of a special resolution and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Mr. Surjit Singh (DIN: 07143372) that he meets criteria of independence as prescribed under section 149(6) of the Act and regulation 17 of the Listing Regulations. Mr. Surjit Singh (DIN: 07143372) aged 50 years and having rich experience of more than Twenty Two (22) years in business and management.

Brief resume of Mr. Surjit Singh (DIN: 07143372), nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / Chairmanship of the Board / Membership of Committee, shareholding and relationships between Directors inter se, as stipulated under the Listing Regulations are annexed to this notice. In the opinion of the Board, Mr. Surjit Singh (DIN: 07143372) fulfills the conditions specified in the Act and Rules made there under for his appointment as an Independent Director of the Company. A copy of the draft letter of re-appointment of Mr. Surjit Singh (DIN: 07143372) 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. Keeping in view his vast experience and knowledge, the Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Surjit Singh (DIN: 07143372) as an Independent Director. Save and except Mr. Surjit Singh (DIN: 07143372), none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution as set out at item No. 3 of the Notice. The Board recommends the passing of resolution as an Ordinary Resolution as set out at item No. 3 of the Notice.

### **Item No. 4**

The members of the company appointed Mr. Gian Chand Thakur as a whole time director of the company vide 38<sup>th</sup> Annual General Meeting of the company for a period of Two (2) years as a whole time director at a remuneration of Rs. 60,000/- per month (Rupees Sixty Thousand Only) w.e.f. October 01<sup>st</sup> 2019 and in case of inadequacy or no profits any of the aforesaid period, the minimum remuneration payable not exceeding the limits prescribed in Schedule V of the Act as amended from time to time with the liberty to Board of Directors including any Committee thereof (the "board") to revise, amend, alter and vary the terms and condition of his remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 and schedule V or any modification thereto and as may be agreed to by and between the board and Mr. Gian Chand Thakur.

Considering the recommendations of the Nomination and Remuneration Committee, the Board of Directors proposed this resolution before the Company for re-appointment of Mr. Gian Chand Thakur for a period of further five (5) years as a whole time director at a remuneration of Rs. 60,000/- per month (Rupees Sixty Thousand Only) w.e.f. October 01<sup>st</sup> 2021 and in case of inadequacy or no profits any of the aforesaid



period, the minimum remuneration payable not exceeding the limits prescribed in Schedule V of the Act as amended from time to time with the liberty to Board of Directors including any Committee thereof (the "board") to revise, amend, alter and vary the terms and condition of his remuneration in such manner as may be permitted in accordance with the provisions of the Companies Act, 2013 and schedule V or any modification thereto and as may be agreed to by and between the board and Mr. Gian Chand Thakur.

The said remuneration has been approved by the Nomination & Remuneration Committee.

None of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives except Mr. Gian Chand Thakur, being the appointee is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 of the Notice. The Board recommends the passing of resolution as a Special Resolution as set out at item No. 4 of the Notice.

## Information pursuant to the Part II of the Schedule V to the Companies Act, 2013

### GENERAL INFORMATION

#### 1) Nature of Industry

The Company is engaged in the business of manufacturing of textile yarn such Synthetic yarn, Dyed yarn etc.

#### 2) Financial Performance based on given indicators:-

(in Lakhs)

PARTICULARS	2020-21	2019-20	2018-19
Net Sales/Income	1518.50	4456.13	4914.24
Gross profit before interest and depreciation	(54.92)	279.00	579.44
Finance cost	333.43	312.54	357.82
Profit before depreciation and amortization- (Cash Profit)	(388.35)	(33.54)	221.62
Depreciation and Amortization	206.53	203.35	204.50
PBT before exceptional items	(594.88)	(236.89)	17.12
Exceptional items	0	0	0.00
Profit before Tax (PBT)	(594.88)	(236.89)	17.12
Provision for Tax- Current	0	0	3.29
Provision for Tax- Deferred	(91.04)	(6.79)	(27.33)
Profit after Tax	(503.84)	(230.10)	41.16
Other Comprehensive Income (Net of Tax)	15.18	5.79	17.89
Total Comprehensive Income	(488.66)	(224.31)	59.05

\*Previous year figures have been regrouped and rearranged whenever necessary.

### INFORMATION ABOUT THE APPOINTEE

#### Background details, Job profile and suitability

Mr. Gian Chand Thakur was born on April 20<sup>th</sup> 1972 in Nirmand (Kullu) and had his primary education in Himachal Pradesh. After completing his graduation in 1994, he joined the Textile industry with Auro Spinning Mills of Vardhman Group. Mr. Gian Chand Thakur is having Twenty Nine (29) years experience in the Textile Industry. He has rich experience in yarn manufacturing and specialized knowledge in the field of procurement of cotton, the main raw material and capital equipments at the Corporate Level. Mr. Gian Chand Thakur has been the Whole Time Director of the Company since October 2014 and proposed the reappointment w.e.f. October 01st 2021 to September 30th 2026 with remuneration of Rs. 60,000/- per month (Rupees Sixty Thousand Only) till the expiry of his term.

### OTHER INFORMATION

#### a) Reasons of loss or inadequate profits:

Due to global slowdown, COVID-19 pandemic and present scenario of the country and other reasons beyond the control of management of the Company, the Company has no profits.

#### b) Steps taken or proposed to be taken for improvement:

The Company is taking steps towards the reduction of cost, introduction of value added products, better market penetration and improvement in realization.

#### c) Expected increase in productivity and profits in measurable terms:



The company has taken various initiatives to increase the productivity of the company. In return the profits will also increase, but are not measurable as the same is influenced by various factors such as market prices of dyed yarn, raw material and cost of various inputs.

The proposal outlined above is in the interest of the Company and the Board re-commends the resolution set out in the accompanying Notice as Ordinary resolution.

**By Order of the Board  
For Himachal Fibres Limited**

Place: Ludhiana  
Dated: August 14<sup>th</sup> 2021

Sd/-  
(Laxmi Khatri)  
Company Secretary & Compliance Officer

Information Pursuant to Regulation 36 of the Listing regulations and Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI), regarding the Directors seeking appointment/re-appointment in the Annual General Meeting.

**Re-appointment of Mr. Manoj Kumar, Mr. Surjit Singh & Mr. Gian Chand Thakur**

Name of the Director	Mr. Surjit Singh	Mr. Gian Chand Thakur	Mr. Manoj Kumar
DIN	07143372	07006447	06872575
Date of Birth	08/02/1971	20/04/1972	07/04/1969
Date of Appointment	14/11/2018	12/11/2014	22/08/2016
Brief Resume & Expertise in specific functional area	He has experience of Twenty Two (22) years in the Business and Management	He has experience of Twenty Nine (29) years in the Industry and during his career in textile industry, he has worked with Auro Spinning Mills, Arihant Industries, Birla Textile Mill, Indian Yarn Ltd.	Industrial & Business Experience of more than Nineteen (19) Years
Board meetings held & attended during FY 2020-21	Held Five (5) and attended Five (5)	Held Five (5) and attended Five (5)	Held Five (5) and attended Five (5)
No. of Shares in the company	NIL	NIL	NIL
Qualification	Matric	P.G. (Public Administration)	Under Graduate
Directorships of other Listed Companies	NIL	NIL	NIL
Chairmanship / Membership of Committees of other Listed Companies	NIL	NIL	NIL
Relationship with other Directors	Not related to any director	Not related to any director	Not related to any director
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Appointment as a Non-Executive Independent Director for a period of Five (5) years not liable to retire by rotation. Sitting fee paid during the last financial year is Rs. 0.1 Lac. Sitting fee sought to be paid for attending the Board of Director and/or Committees meeting.	Terms and condition of re-appointment including remuneration are forming part of the resolution set out at item no. 4 of this notice. Remuneration Last drawn is Rs. 7.20 Lac during the last financial year.	Appointment as a Non-Executive Director liable to retire by rotation. Sitting fee paid during the last financial year is Rs. 0.1 Lac. Sitting fee sought to be paid for attending the Board of Director and/or Committees meeting.
Justification for choosing the appointees for appointment as Independent Directors	Due to his expertise in the above mentioned area.	N.A.	N.A.

# HIMACHAL FIBRES LIMITED



## BOARD'S REPORT

TO  
THE MEMBERS OF,  
HIMACHAL FIBRES LIMITED.

Your Directors have pleasure in presenting the 40<sup>th</sup> Annual Report together with the Audited Statement of Accounts of Himachal Fibres Limited (HFL) for the year ended March 31<sup>st</sup>, 2021.

### 1. FINANCIAL HIGHLIGHTS.

The summary of the financial performance of the Company for the financial year ended March 31<sup>st</sup>, 2021 compared to the previous year ended March 31<sup>st</sup>, 2020 is given below:

Particulars	(in Lacs)	
	Year Ended March 31 <sup>st</sup> 2020	Year Ended March 31 <sup>st</sup> 2019
Revenue from Operations and Other Income (Total Revenues)	1518.50	4456.13
Gross loss before interest and depreciation	(54.92)	(279.00)
Finance cost	333.43	312.54
Profit before depreciation and amortization (Cash Profit)	(388.35)	33.54
Depreciation and Amortization	206.53	203.35
PBT before exceptional items	(594.88)	(236.89)
Exceptional items	0.00	0.00
Profit/Loss before Tax (PBT)	(594.88)	(236.89)
Tax- Current	(0.000)	(0.000)
Tax- Deferred	(91.04)	(6.79)
Profit/Loss after Tax	15.18	5.79
Other Comprehensive Income (Net of Tax)	15.18	5.79
Total Comprehensive Income	(488.66)	(224.31)
Earnings per Share (EPS) (in Rs.)		
(after exceptional item)		
- Basic	(0.58)	(0.27)
- Diluted	(0.58)	(0.27)

\*Previous figures have been regrouped/ reclassified, wherever necessary, to confirm with the current period classification/presentation.

### 2. STATE OF COMPANY'S AFFAIRS :

Total Revenue from operation for the year is Rs. 1454.39 Lakhs as compared to Rs. 4265.94 Lakhs of previous year. The Net Loss after tax for the year ended March 31<sup>st</sup>, 2021 is Rs. (488.66) Lakhs as compare to Net Loss after tax of Rs. Rs. (224.31) Lakhs for the previous year.

### 3. DIVIDEND

In view of the Loss for the year ended March 31<sup>st</sup> 2021, the Board of directors has not recommended any dividend for the year under review.

### 4. TRANSFER TO RESERVE

The Board of your Company has decided not to transfer any amount to the General Reserves for the financial year 2020-21.

### 5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there were no unpaid/unclaimed Dividend and other amounts, as prescribed under Sections 124 & 125 of Companies Act, 2013 lying with the company, therefore, the provisions of above mentioned sections do not apply to the company.



**6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.**

In pursuance to section 134(3) (L) of the Act, no material changes and commitments have occurred after the closure of the financial year to which the financial statements relate till the date of this report, affecting the financial position of the Company except the Assessment of Impact of Pandemic of COVID-19 on the Business of Company.

COVID-19 has affected the production and sales of the Company quite badly, which has resulted in severe cash liquidity problems. The delay in recovery and defaults in trade receivables has further aggravated the situation. These all factors have forced us to default in the payments to banks. Due to this company has defaulted in payment of interest and installment of dues to State Bank of India "SBI" and the Company has been Declared as NPA as on 31.03.2021.

However, the situation is recovering now and we are expecting the normalization in the operations very soon. The Company is closely monitoring any material changes arising of future economic conditions and impact on its business although it is quite difficult to assess due to the highly uncertain situation.

**7. CHANGE IN THE NATURE OF BUSINESS**

There was no change in the nature of business of the company during the year under review.

**8. SHARE CAPITAL**

During the year under review, no change in the paid-up share capital of the company.

**8.1 Redemption of Preference Shares**

The Company has not redeemed any Preference Shares during the year under review.

**8.2 Buy Back of Securities**

The Company has not bought back any of its securities during the year under review.

**8.3 Sweat Equity**

The Company has not issued any Sweat Equity Shares during the year under review.

**8.4 Bonus Shares**

No Bonus Shares were issued during the year under review.

**8.5 Employees Stock Option Plan**

The Company has not provided any Stock Option Scheme to the employees.

**9. FINANCE**

**9.1 Cash And Cash Equivalent**

Cash and Cash equivalent as at March 31<sup>st</sup>, 2021 is Rs. 06.57 Lakhs. The Company continues to focus on judicious management of working capital. Working Capital parameters are kept under strict check through continuous monitoring.

**9.2 Deposits/ Fixed Deposits**

During the year, Company has not accepted deposit from the public falling within the ambit of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not repaid any deposits to the public during the year and no deposits are remained unpaid / unclaimed as on March 31<sup>st</sup>, 2021.

**9.3 Particulars of Loans, Guarantees or Investments**



Detail of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes of Financial Statements.

## 10. HUMAN RESOURCES

HFL is committed to hiring, developing and retaining the best minds in the industry. The Company has key internal processes and initiatives that support this vision. The Company has developed a strong employee value proposition that focuses on key pillars of challenging work that matters, hiring and retaining the right people, sustained focus on talent and leadership development, differentiated rewards to drive exceptional performance and community engagement.

Talent management is a shared responsibility between business leaders and the Human Resources function at HFL, enabling a strong focus on succession planning for key roles and actively promoting internal move to drive career growth. Talent management is supported by a strong learning architecture that enables leadership and functional development. This is supported by a Positive Employee Relations (PER) strategy that aims to build an engaged and motivated workforce.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage.

### 11.1 Directors

During the year under review, Mr. Gian Chand Thakur whole time director of the Company completed his term at this AGM and being eligible offer himself for reappointment. Mr. Manoj Kumar, Non-executive director of the Company retires by rotation at this AGM and being eligible offer himself for reappointment. Mr. Surjit Singh, Independent Director of the Company completed his First Term at this AGM and being eligible offer himself for reappointment for Second Term.

### 11.2 Key Managerial Personnel (KMP)

Board would also like to inform the members that Mr. Navratan Kumar Sharma resigned from the post of Chief financial officer due to his personal reason and rejoined the same position during the year. Mrs. Laxmi Khatri was appointed w.e.f. April 18<sup>th</sup> 2019 as a Company Secretary of the Company.

## 12. BOARD MEETINGS & ATTENDANCE OF DIRECTORS

Five (5) meetings of the Board of Directors were held during the year 2020-21.

-July 10th 2020 - September 02<sup>nd</sup> 2020 - September 15th 2020 - November 13th 2020 -February 13th 2021

The details about the meetings and attended by all the directors of the Company:

Name of the Director	Category	Attendance Particulars		No. of Directorship and other committee as on 31.03.2021			No. of shares held in the Company as on 31.03.2021	List of Directorship held in Other Listed Companies and Category of Directorship
		Board Meeting	Last AGM	Directorship held in other Indian Public Limited Companies*	Committee Membership**	Committee Chairpersonship**		
Mr. Gian Chand Thakur	Whole Time Director	5	Yes	Nil	2	Nil	Nil	Nil
Mrs. Malkeet Kaur	Independent Director	5	Yes	2	4	1	Nil	Nil
Mr. Manoj Kumar	Non Executive Director & Non-Independent Director	5	Yes	5	3	3	Nil	Nil
Mr. Surjit Singh	Independent	5	Yes	3	2	2	Nil	Nil



	Director							
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\* Excludes Directorship in Foreign Companies, Private Limited Companies and Section 8 Companies.

\*\* For the purpose of considering the Committee Membership and Chairpersonship of a Director, the Audit Committee and the Stakeholders’ Relationship Committee of all Public Limited Companies including HFL has been considered.

**13. COMMITTEES OF BOARD**

The details regarding Committees of the Board of Directors of the Company:

**AUDIT COMMITTEE**

The committee continues to perform its tasks under the companies Act, 2013 as well as SEBI (Listing Obligations and Disclosures) Regulations, 2015.

In the financial year 2020-21, four meetings were held on -July 10<sup>th</sup> 2020 - September 02<sup>nd</sup> 2020 - November 13<sup>th</sup> 2020 -February 13<sup>th</sup> 2021. Composition of the committee and details of meetings held and member’s attendance during the year are as under:

Name	Status	Category	No of Meetings Held and Attended during the year 2020-21	
			Held	Attended
Mr. Surjit Singh	Chairperson	Non Executive & Independent Director	4	4
Mrs. Malkeet Kaur	Member	Non Executive & Independent Director	4	4
Mr. Gian Chand Thakur	Member	Whole time Director	4	4

The Company Secretary acts as the secretary to the Audit committee. Chief Financial Officer attends all the meetings and statutory auditors and internal auditors are also invited for the meeting. Mr. Surjit Singh, the Chairperson of the Audit Committee was present at the last Annual General Meeting held on September 28<sup>th</sup> 2020.

**NOMINATION AND REMUNERATION COMMITTEE**

The committee continues to perform its tasks under the companies Act, 2013 as well as SEBI (Listing Obligations and Disclosures) Regulations, 2015.

Composition of committee and details of meetings held and member’s attendance during the year under review are as under:

Date of Meetings: - -July 10<sup>th</sup> 2020 - September 02<sup>nd</sup> 2020 - November 13<sup>th</sup> 2020 -February 13<sup>th</sup> 2021.

Name	Status	Category	No of Meetings Held and Attended during the year 2020-21	
			Held	Attended
Mrs. Malkeet Kaur	Chairperson	Non Executive & Independent Director	4	4
Mr. Manoj Kumar	Member	Non Executive Director	4	4
Mr. Surjit Singh	Member	Non Executive & Independent Director	4	4

The Company Secretary acts as the secretary to the Nomination and Remuneration committee.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Committee performs various functions conferred under the Listing Regulations and Section 178 of the Act, which mainly covers ensuring resolution of grievances of security holders of the company.

Composition of committee and details of meetings held and member’s attendance during the year under review are as under:

Date of Meetings: - -July 10<sup>th</sup> 2020 - September 02<sup>nd</sup> 2020 - November 13<sup>th</sup> 2020 -February 13<sup>th</sup> 2021.

Name	Status	Category	No of Meetings Held and Attended during the year 2020-21	
			Held	Attended
Mr. Surjit Singh	Chairperson	Non Executive & Independent Director	4	4
Mrs. Malkeet	Member	Non-Executive & Independent Director	4	4



# HIMACHAL FIBRES LIMITED



<b>Kaur</b>				
<b>Mr. Gian Chand Thakur</b>	<b>Member</b>	Whole time Director	4	4

The Company Secretary acts as the secretary to the Stakeholders Relationship committee.  
The details of complaints received and resolved during the Financial Year ended March 31<sup>st</sup> 2021 are given in the table below:

<b>Investor Complaints</b>	<b>Number</b>
<b>Number of shareholders' complaints received during 2020-21</b>	<b>0</b>
<b>Number of solved to the satisfaction of shareholders</b>	<b>0</b>
<b>Number of pending complaints as on March 31, 2021</b>	<b>Nil</b>

**Name and designation of the Compliance Officer:**

Mrs. Laxmi Khatri, the Company Secretary is the Compliance Officer of the Company and be contacted at Ph: 0161-4684000 and Fax: 0161-4684010 and Email: [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com).

**Other Committee Details:**

In order to smoothen the operation of the company, the power of Board has been delegated by forming committees with specific purposes.

<b>COMMITTEE NAME</b>	<b>MEMBERS</b>	<b>NO OF MEETINGS</b>
<b>SECURITIES TRANSFER COMMITTEE</b>	<b>Mr. Surjit Singh (Chairperson)</b> <b>Mr. Gian Chand Thakur</b> <b>Mr. Manoj Kumar</b>	<b>2</b>
<b>BANKING &amp; FINANCE COMMITTEE</b>	<b>Mr. Surjit Singh (Chairperson)</b> <b>Mr. Gian Chand Thakur</b> <b>Mr. Manoj Kumar</b>	<b>2</b>

**14. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of Independence laid down in and Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**15. CORPORATE SOCIAL RESPONSIBILITY**

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

**16. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had 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;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.



- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 17. CORPORATE GOVERNANCE:

Pursuant to provisions of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the compliance with the Corporate Governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not be applicable to the Company as the paid up equity share capital of the Company is Rs. 8,62,50,000/(Rupees Eight Crore, Sixty-two Lakh and Fifty Thousand Only)) and net worth of the Company is Rs. 2,64,10,387/- (Rupees Two Crore Sixty Four Lac Ten Thousand Three Eighty Seven Only) as on the last day of the previous financial year i.e. March 31, 2021 which is not exceeding Rs. 10 Crores and Rs. 25 Crores, respectively as per the latest audited Financial Statements as at March 31, 2021. Whenever this regulation becomes applicable to the Company at a later date, the Company shall comply with requirements of this regulation within six months from the date on which such provisions became applicable to the Company.

## 18. AUDITORS AND RECORDS

### 18.1 Statutory Auditors

M/s. Manjul Mittal & Associates, Chartered Accountants (Firm Registration No. 028039N) was appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of 36<sup>th</sup> Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting.

### 18.2 Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Rajeew Bhambri & Associates (CP No.: 9491, FCS: 4327), Company Secretaries in practice to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure - 1'.

### 18.3 Internal Auditors

Mr. Varinderjit Singh Appointed as Internal Auditor and he performed the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

### 18.4 Cost Records

Pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under sub section (1) of Section 148 of the Companies Act, 2013, is required by the Company and accordingly such prescribed accounts and records have been made and maintained.

### 18.5 Explanation on qualification/ reservation/ adverse remarks in the Auditors' Report

Members' attention is invited to the observations/Qualification made by the Statutory Auditors under Point No. 7(a) and 8 appearing in Independent Auditor's Report and by Secretarial Auditor in Secretarial Audit Report. The observations/Qualification made by auditors in their reports along with the management replies on them are as follows:

- a) Regarding Auditor's remark in their report in Point 7(a) and Secretarial Auditor's remark in their report, it is informed that the company accords top priority in depositing the statutory dues. However, the liquidity crunch being faced by it due to various reasons has led to some delay in the deposit of statutory dues.
- b) Regarding Auditor's Remark in their report in Point No. 8 and Secretarial Auditor's remark in their report, Company has defaulted in payment of interest and installment of dues to SBI and the Company has been Declared as NPA as on 31.03.2021 as COVID-19 has affected the production and sales of the Company quite badly, which has resulted in severe cash liquidity problems. The delay in recovery and defaults in trade receivables has further aggravated the situation. These all factors have forced us to default in the payments to banks. However, the situation is recovering now and we are expecting the normalization in the operations very soon. The Company is closely monitoring any material changes arising of future economic conditions and impact on its business although it is quite difficult to assess due to the highly uncertain situation.



## 19. INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

## 20. LISTING OF SECURITIES

The Securities of the Company are listed on BSE Limited. The Company has not paid annual listing fee to exchanges for the year 2021-22 however the same will be paid shortly.

## 21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## 22. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as 'Annexure- 2'

## 23. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and directors to report genuine concerns, unethical behavior and irregularities, if any, in the company noticed by them which could adversely affect company's operations. The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported till date. The details of the Whistle Blower Policy is posted on the website of the Company.

## 24. RISK MANAGEMENT POLICY

The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes and behaviors together form the Risk Management Policy that governs how the company conducts its business and manages associated risks.

## 25. HOLDINGS, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Holdings, Subsidiary, Joint venture or Associate Company. There were no companies which have become or ceased to be its holdings, subsidiaries, joint ventures or associate companies during the year under review.

## 26. RELATED PARTY TRANSACTIONS/ PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

All transactions entered into with Related Parties, as defined under the Companies Act, 2013 and Clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year, were in the ordinary course of business and were on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The report of the Board in respect of the particular of contracts or arrangements with related parties referred to sub section (1) of Section 188 in form AOC-2 is annexed to this report in 'Annexure- 3'.

## 27. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013

The Company has in place a prevention of sexual Harassment policy in line with the requirements of the sexual Harassment of Women at the Workplace (prevention, prohibition and Redressal) Act, 2013. A Sexual Harassment Committee/Internal Complaints Committee (ICC) was setup/constituted which is responsible for redressal of complaints related to sexual harassment at the workplace. During the year 2020-21, no complaint were received/filed by the Company related to sexual Harassment.

## 28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure- 4".

## 29. PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to the Board's report as per 'Annexure- 5'.



### 30. REMUNERATION POLICY AND BOARD EVALUATION

Company has Nomination and Remuneration policy in place pursuant to Companies Act, 2013 and SEBI (LODR) Regulation, 2015. Independent directors in their meeting held on February 13<sup>th</sup> 2021, evaluated the performance of the non-independent directors of the board including Whole time Director. The minutes of the meeting were placed before the board and board affirmed the same. The Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the directors individually.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 and SEBI(LODR) Regulations, 2015 is enclosed herewith as 'Annexure -6'.

### 31. Performance Evaluation

The Board has carried out an annual evaluation of its own performance, performance of its Committees and of the directors individually, as per the criteria laid down by the Nomination and Remuneration Committee. The evaluation was carried out based on various parameters such as the participation in the Board & and its Committee meetings, contribution towards accurate financial reporting, strategic guidance, risk mitigation, internal controls, governance, leadership and talent development and managing external stakeholders. During the year under review, Mr. Surjit Singh and Mrs. Malkeet Kaur, met on February 13<sup>th</sup> 2021, without the presence of non-independent directors and members of the management, to discuss the evaluation of the Board, Committees and the Non-Executive Directors. The discussions covered both strategic and operational aspects of the Board functioning, as well as the quality, content and timeliness of the flow of information between the Management and the Board. The inputs from the meeting were shared with the Nomination and Remuneration Committee (Regulation 25 of the Listing Regulations).

The performance evaluation of the Independent Directors was carried out by the entire Board.

#### Remuneration to Directors:

**i) Executive Directors:** The Managing Director and Whole-time Director shall be eligible for remuneration, as may be approved by the shareholders of the Company on the recommendation of the NRC Committee and the Board of Directors. If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of the Companies Act, 2013.

**ii) Non-Executive/Independent Director:** The Non-Executive/Independent Directors of the Company may receive remuneration by way of sitting fees for attending the meeting of the Board of Directors or Committee thereof, as approved by the Board.

#### Details of the remuneration, sitting fees etc. paid/payable/entitlement to Directors for the year ended on March 31<sup>st</sup> 2021.

Name of the Director	Remuneration (in Rs.)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Sitting fees (in Rs.)	Total
Mr. Gian Chand Thakur	720000.00	-	-	720000.00
Mrs. Malkeet Kaur	-	-	10000.00	10000.00
Mr. Manoj Kumar	-	-	10000.00	10000.00
Mr. Surjit Singh	-	-	10000.00	10000.00

### 32. MANAGEMENT DISCUSSION & ANALYSIS:

The Management Discussion and Analysis Report is annexed herewith in 'Annexure-7' and form part of the Directors Report.

### 33. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed there under.

### 34. CREDIT RATING:

During the Financial Year 2020-21 Company has same "D" Credit Rating in respect to bank credit facilities from Credit Rating Agency i.e. Brickwork Ratings India Pvt. Ltd.

### 35. COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS

In the preparation of the Standalone IND AS financial statements, the Company has followed the Indian Accounting Standards ("IND AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, Companies (Indian Accounting Standards)



Amendment Rules, 2017 and other accounting principles generally accepted in India. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

#### **36. Training/Familiarization of Board of Directors**

Your Company follows a structured orientation and familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. The details of familiarization programme have been posted in the website of the Company under the web link [www.himachalfibre.com](http://www.himachalfibre.com).

#### **37. Independent Directors confirmation by the Board**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company under the web link [www.himachalfibre.com](http://www.himachalfibre.com).

#### **38. Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on February 13<sup>th</sup> 2021 to review the performance of Non-independent Directors (including the Chairperson) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

#### **39. Code of Conduct for Board members and Senior Management**

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. All the Board members and Senior Management personnel have affirmed compliance with the code of conduct. The Declaration of the same is annexed herewith in 'Annexure-8'. The Code of Conduct is available on the website of the company.

#### **40. ENTERPRISE RISK MANAGEMENT**

The Company's Enterprise Risk Management Processes ensures that the management controls risks through means of a properly defined framework. The risks are reviewed periodically by the Whole time Director and the Chief Financial Officer through an established Enterprise Risk Management Framework and also annually by the Board of Directors.

#### **41. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

Company is not exposed to any of these risks.

#### **42. OUTSTANDING GDRs/ADRs WARRANTS OF ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

#### **43. POLICY FOR PRESERVATION OF DOCUMENTS**

In accordance with regulation 9 of SEBI (Listing Obligations and Disclosures) Regulations, 2015 the board has adopted a policy for preservation of documents which has been uploaded on the website of the company under the web link [www.himachalfibre.com](http://www.himachalfibre.com).

#### **44. ARCHIVAL POLICY**

In accordance with regulation 30 (8) of SEBI (Listing Obligations and Disclosures) Regulations, 2015 an archival policy has been adopted which has also been uploaded on the website of the company under the web link [www.himachalfibre.com](http://www.himachalfibre.com).

#### **45. RECONCILIATION OF SHARE CAPITAL AUDIT:**

A qualified Company Secretary in practice carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. This Reconciliation is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board. The Audit Report, inter alia, confirms that the total listed and paid-up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### **46. RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties, as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year, were in the ordinary course of business and



were on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website [www.himachalfibre.com](http://www.himachalfibre.com).

#### 47. STRICTURES OR PENALTIES

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

During the year the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as follows:

The Stock Exchange (BSE) has levied the following fines on the Company for corporate governance provisions which are not applicable to the company and the application for the waiver of the same has been filed by the Company:

- a) Regulation 17(1) for the Quarter ended September 2020.
- b) Regulation 18(1) for the Quarter ended September 2020.
- c) Regulation 19(1) / (2) for the Quarter ended September 2020.
- d) Regulation 20(2) / (2A) for the Quarter ended September 2020.
- e) Regulation 27(2) for the Quarter ended September 2020.

Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit. The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

#### 48. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and directors to report genuine concerns, unethical behavior and irregularities, if any, in the company noticed by them which could adversely affect company's operations. The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported till date. Further in accordance with requirement of Para C 10 (c) of SEBI (Listing Obligations and Disclosures) Regulations, 2015 affirmation is also given that no personnel has been denied access to audit committee. The details of the Whistle Blower Policy is explained posted on the website of the Company at [www.himachalfibre.com](http://www.himachalfibre.com).

#### 49. Compliances & other disclosures

##### Mandatory Requirements

The Company has fully complied with the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### Adoption of non-mandatory requirements under Listing Agreement

##### The Board:

Since the company have a non executive Chairperson a separate office is maintained at Registered office of the company along with a separate office at Corporate office at 8-L, Model Town, Backside Hotel Chevron Ludhiana-141002 (Punjab).

#### POLICY FOR DETERMINATION OF MATERIALITY OF THE DISCLOSURE OF EVENTS & INFORMATION

In accordance with regulation 30 (4) of SEBI (Listing Obligations and Disclosures) Regulations, 2015 a policy has been adopted regarding disclosures of any events or information which, in the opinion of the board of directors is material and the same is also available on the website of the company i.e. [www.himachalfibre.com](http://www.himachalfibre.com).

#### CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE:

M/s Rajeev Bhambri & Associates, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed herewith in 'Annexure-9'.

#### DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS

# HIMACHAL FIBRES LIMITED



Details relating to fees paid to the Statutory Auditors are given in Note 29 (a) to the Financial Statements.

## GENERAL BODY MEETING

The details of last three Annual General Meeting of the Company held are given below:

Financial Year	Location of the Meeting	Date	Time	No. of Special Resolution passed
2017-2018	Registered Office at Barotiwala	27.09.2018	11:00 A.M	1
2018-2019	Registered Office at Barotiwala	27.09.2019	11:00 A.M	0
2019-2020	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	28.09.2020	04:30 P.M	1

## RESOLUTION PASSED THROUGH POSTAL BALLOT

No resolution was passed Through Postal Ballot in the year under review.

## MEANS OF COMMUNICATION

Annual Reports in respect of each financial year are mailed to the shareholders whose email IDs are registered with the company. Each Report contains the annual accounts of the company in respect of the financial year with the Directors' and Auditors' Reports. Also included in each Annual Report is the Notice convening the annual general meeting, the financial year's and the cash flow statement together with the corresponding reports of the auditors.

The quarterly, half-yearly and annual financial results were/will be published in eminent daily newspapers like **Business Standard** (English & Hindi) and also displayed on Company's website: [www.himachalfibre.com](http://www.himachalfibre.com).

## SHAREHOLDER INFORMATION

Registered Office	:	Plot no. 43-44, Industrial Area, Barotiwala-174 103, (Himachal Pradesh) Telephone No. – 0161-4684000 Fax No. – 0161-4684010 Email: <a href="mailto:hfl.corporate@gmail.com">hfl.corporate@gmail.com</a>
Corporate Office	:	8-L, Model Town, Backside Hotel Chevron Ludhiana-141002 (Punjab) Telephone No. – 0161-4684000 Fax No. – 0161-4684010 Email: <a href="mailto:hfl.corporate@gmail.com">hfl.corporate@gmail.com</a>

## REGISTRAR AND TRANSFER AGENT

Shareholders may contact the Company's Registrar and Share Transfer Agent (for both physical and demat segments) at the following address for any assistance regarding dematerialization of shares, share transfers, transmission, change of address, non-receipt of annual report and any other query relating to the shares of the Company:

### BEETAL Financial & Computer Services Pvt Ltd.

BEETAL HOUSE, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi – 110062 Ph. 011-29961281-283 Fax 011-29961284, Email: [beetalrta@gmail.com](mailto:beetalrta@gmail.com)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

## PLANT LOCATION

Plot No.43-44, Industrial Area, Barotiwala-174 103 (Himachal Pradesh)

### Shareholders Rights:

The quarterly and half-yearly financial results are published in widely circulated dailies and also displayed on Company's website [www.himachalfibre.com](http://www.himachalfibre.com). Hence, these are not individually sent to the Shareholders.

# HIMACHAL FIBRES LIMITED



## Reporting of Internal Auditor:

The internal auditor reports to audit committee.

## General Shareholders Information

### Annual General Meeting

Date	:	September 28 <sup>th</sup> 2021
Day	:	Monday
Time	:	04.30 P.M
Venue	:	Though Video Conferencing/ Other Audio Visual Means

## FINANCIAL CALENDAR

Financial Year	:	1 <sup>st</sup> April to 31 <sup>st</sup> March
Financial results were announced on:		
o September 2020	:	First Quarter
o November 2020	:	Second Quarter
o February 2021	:	Third Quarter
o June 2021	:	Audited Results

## Book Closure

The dates of book closure are from September 22<sup>nd</sup> 2021 to September 28<sup>th</sup>, 2021 (inclusive of both days).

Demat ISIN Number for NSDL and CDSL : INE723D01021

## Listing

At present, the equity shares of the company are listed on the BSE Limited (BSE).

Stock Exchanges	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	Demat Segment - 514010

## SHARE TRANSFER SYSTEM

The Company's shares are in Demat mode. The shares received for transfer in physical mode are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respect.

## Stock Market Data

Market Price Data as compared to closing Sensex during 2020-21:

Month	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Close
Apr-20	1.3	1.16	1.3	9829	36	33717.62
May-20	1.35	1.15	1.15	10261	18	32424.1
Jun-20	1.26	0.94	1.26	127427	112	34915.8
Jul-20	1.93	1.32	1.66	75349	191	37606.89
Aug-20	1.66	1.21	1.24	53514	133	38628.29
Sep-20	1.49	1.14	1.4	14697	64	38067.93
Oct-20	1.49	1.27	1.27	9518	53	39614.07
Nov-20	1.21	0.93	0.94	50941	134	44149.72
Dec-20	1.47	0.94	1.47	145039	167	47751.33
Jan-21	2.75	1.5	2.75	102286	266	46285.77
Feb-21	3.61	2.8	3.17	110541	314	49099.99
Mar-21	3.11	2.25	2.25	20648	101	49509.15



# HIMACHAL FIBRES LIMITED



## DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2021.

Shareholding	Holders	Percentage %	No of shares	Percentage %
UP TO 5000	2867	94.37	2166628	2.51
5001 TO 10000	72	2.37	516611	0.59
10001 TO 20000	34	1.11	530373	0.62
20001 TO 30000	16	0.52	407627	0.47
30001 TO 40000	5	0.16	168471	0.19
40001 TO 50000	10	0.32	450277	0.52
50001 TO 100000	11	0.36	739245	0.85
100001 AND ABOVE	23	0.75	81270768	94.22

## DEMATERIALISATION OF SHARES:

As on March 31<sup>st</sup> 2021, 96.24% of the capital comprising 8,30,06,000 shares, out of total of 8,62,50,000 shares were dematerialized.

## ADDRESS OF CORRESPONDENCE

Shareholders may contact:

**Mrs. Laxmi Khatri (Company Secretary) at  
Registered Office & Works**

**Corporate Office**

:

:

Plot No.43-44, Industrial Area,  
Barotiwala-174 103 (Himachal Pradesh)  
8-L, Model Town, Backside Hotel  
Chevron Ludhiana-141002 (Punjab)  
Telephone No. – 0161-4684000  
Fax No. – 0161-4684010  
Email: [hfl.corporate@gmail.com](mailto:hfl.corporate@gmail.com)

## 50. APPRECIATION AND ACKNOWLEDGEMENTS

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company. Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation. We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

## 51. CAUTIONARY STATEMENT

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations.

Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

Place: Ludhiana  
Dated: August 14<sup>th</sup> 2021

For and behalf of the Board  
For Himachal Fibres Limited  
Sd/-  
(Surjit Singh)  
Chairperson  
DIN: 07143372

# HIMACHAL FIBRES LIMITED



Annexure- 1

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the**  
**Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**The Members,**  
**HIMACHAL FIBRES LIMITED,**  
**Plot No. 43-44, Industrial Area,**  
**Barotowala, HP-174103**  
**CIN: L17119HP1980PLC031020**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HIMACHAL FIBRES LIMITED** (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's 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, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31<sup>st</sup> March, 2021** ('Audit Period') 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021, to the extent applicable and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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 there under 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'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) We 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 laws relating to, inter alia:
  - labour & industrial laws;
  - The Competition Act, 2012;
  - All environmental laws;
  - Textiles (Consumer Protection) Regulations, 1988;
  - Textiles (Development and Regulation) Order, 2001;
  - Textiles Committee Act, 1963;

# HIMACHAL FIBRES LIMITED



- Additional Duties of Excise (Textiles and Textiles Articles) Act, 1978.
- Indian Boilers Act, 1923

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

- Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.
- The Listing Agreement entered into by the Company read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as follows:

- The Stock Exchange (BSE) has levied the following fines on the Company for corporate governance provisions which are not applicable to the company and the application for the waiver of the same has been filed by the Company:*
  - Regulation 17(1) for the Quarter ended September 2020.*
  - Regulation 18(1) for the Quarter ended September 2020.*
  - Regulation 19(1) / (2) for the Quarter ended September 2020.*
  - Regulation 20(2) / (2A) for the Quarter ended September 2020.*
  - Regulation 27(2) for the Quarter ended September 2020.*
- Company is not regular in depositing the statutory payments as required under Income Tax Act, 1961, Employee's State Insurance Act, 1948, Employee's Provident Fund Act, 1952, Himachal Pradesh Sales Tax Act and Finance Act, 2005.*

#### **We further report that**

The Board of Directors of the Company is duly constituted. No changes in the composition of the Board of Directors took place during the period under review. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**We 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.

**We further report that** during the audit period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. except as follows:

*Company has also defaulted in payment of interest and installment of dues to SBI and the Company has been Declared as NPA as on 31.03.2021.*

Place: Ludhiana  
Dated: 14.08.2021

Sd/-  
(Rajeev Bhambri)  
Rajeev Bhambri & Associates  
Company Secretary in whole time practice  
UDIN: F004327C000785646  
C.P. No. 9491

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**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE-A' and forms an integral part of this Report.**



The Members,  
HIMACHAL FIBRES LIMITED,  
Plot No. 43-44, Industrial Area,  
Barotowala, HP-174103  
CIN: L17119HP1980PLC031020

Our Report of even date is to be read along with this letter.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
6. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Place: Ludhiana  
Dated: 14.08.2021  
UDIN: F004327C000785646

Sd/-  
(Rajeev Bhambri)  
Rajeev Bhambri & Associates  
Company Secretary in whole time practice  
C.P. No. 9491

**Annexure- 2**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

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

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:	L17119HP1980PLC031020
	Foreign Company Registration Number/GLN	N.A.
	Registration Date [DDMMYY]	20/02/1980
ii)	Category of the Company	Public Company
iii)	Sub Category of the Company	Limited by shares
iv)	Whether shares listed on recognized Stock Exchange(s)	Yes
	If yes, details of stock exchanges where shares are listed	BSE Limited
v)	AGM details-	40 <sup>th</sup> AGM held on 28 <sup>th</sup> September, 2021 at 04:30 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM)
	Whether extension of AGM was granted – Yes / No. ( If yes, provide reference number , date of approval letter and the period upto which extension granted)	NO

# HIMACHAL FIBRES LIMITED



If Annual General Meeting was not held, specify the reasons for not holding the same	NA
<b>Vi) NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:</b>	
Company Name	HIMACHAL FIBRES LIMITED
Address	Plot No.43-44, Industrial Area, Barotiwala-174 103 (Himachal Pradesh)
Town / City	Barotiwala, Distt. Solan
State	Himachal Pradesh
Pin Code:	174103
Country Name :	India
Country Code	+91
Telephone (With STD Area Code Number)	0161-4684000
Fax Number :	0161-4684010
Email Address	<a href="mailto:hfl.corporate@gmail.com">hfl.corporate@gmail.com</a>
Website	<a href="http://www.himachalfibre.com/">http://www.himachalfibre.com/</a>
Name of the Police Station having jurisdiction where the registered office is situated	Barotiwala, Tehsil Nalagarh
Address for correspondence, if different from address of registered office:	8-L, Model Town, Backside Hotel Chevron, Ludhiana-141002 (Punjab)
<b>Vii) Name and Address of Registrar &amp; Transfer Agents (RTA):- Full address and contact details to be given.</b>	
Registrar & Transfer Agents ( RTA ):-	Beetal Financial & Computer Services Pvt. Ltd
Address	Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi – 110062
Town / City	New Delhi
State	New Delhi
Pin Code:	110062
Telephone (With STD Area Code Number)	011 - 29961281 / 29961282-83
Fax Number :	011 – 29961284
Email Address	<a href="mailto:beetalrta@gmail.com">beetalrta@gmail.com</a>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.NO.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	TEXTILE	131-SPINING, WEAVING AND FINISHING OF TEXTILES	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]]

- N.A.

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

# HIMACHAL FIBRES LIMITED



Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2020]				No. of Shares held at the end of the year[As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	7000000		7000000	8.12	7000000		7000000	8.12	
b) Central Govt	-		-	-			-	-	
c) State Govt(s)	-		-	-			-	-	
d) Bodies Corp.	40041500		40041500	46.42	40041500		40041500	46.42	
e) Banks / FI	-		-	-	-		-	-	
f) Any other	-		-	-	-		-	-	
<b>Total shareholding of Promoter (A)</b>	<b>47041500</b>	<b>0</b>	<b>47041500</b>	<b>54.54</b>	<b>47041500</b>	<b>0</b>	<b>47041500</b>	<b>54.54</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	4000	-	4000	-	4000	-	4000	-	-
b) Banks / FI	-	140500	140500	0.16	-	140500	140500	0.16	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>4000</b>	<b>140500</b>	<b>144500</b>	<b>0.17</b>	<b>4000</b>	<b>140500</b>	<b>144500</b>	<b>0.17</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	25348482	1603000	26951482	31.25	25365358	1603000	26968358	31.27	-0.02
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2939624	1500500	4440124	5.148	2874244	1500500	4374744	5.07	0.08
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	7321468	-	7321468	8.48	7375897	-	7375897	8.55	-0.06
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Non Resident Indians</b>	<b>149849</b>	<b>-</b>	<b>149849</b>	<b>0.17</b>	<b>144375</b>	<b>-</b>	<b>144375</b>	<b>0.17</b>	<b>0.00</b>

# HIMACHAL FIBRES LIMITED



Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	4031	-	4031	-	10	-	10	-	-
Trusts	-	-	-	-	-	-	-	-	-
HUF	197046	-	197046	0.23	200616	-	200616	0.23	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	35960500	3103500	39064000	45.29	35960500	3103500	39064000	45.29	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	35964500	3244000	39208500	45.46	35964500	3244000	39208500	45.46	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	83006000	3244000	86250000	100.00	83006000	3244000	86250000	100	0.00

## (ii) Shareholding of Promoters

SN.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rajinder Kumar	1900000	2.20	-	-	-	-	-2.20
2	Mayank Malhotra	2000000	2.32	-	2000000	2.32	-	-
3	Akhil Malhotra	3100000	3.59	-	5000000	5.79	-	2.20
4	Balmukhi Textiles Pvt. Ltd.	13180500	15.28	-	13180500	15.28	-	-
5	Brijeshwari Textiles Pvt.Ltd.	13180500	15.28	-	13180500	15.28	-	-
6	Shiva Spinfab Pvt Ltd	13680500	15.86	-	13680500	15.86	-	-
	<b>TOTAL</b>	<b>47041500</b>	<b>54.54</b>	<b>-</b>	<b>47041500</b>	<b>54.54</b>	<b>-</b>	<b>-</b>

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

During the year Mr. Rajinder Kumar Promoter of the Company sold 1900000 shares & Mr. Akhil Malhotra purchased 1900000 shares except these there is No Change in Promoters' Shareholding during the year 2020-21.

## (iv) Shareholding Pattern of top ten Shareholders as on 31.03.2021 (other than Directors, Promoters and Holders of GDRs and ADRs):

S. NO.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	HIMACHAL YARNS LIMITED					
	At the beginning of the year		9610050	11.14	9610050	11.14
<b>Date</b>	Increase/ Decrease	Reason				
<b>NIL</b>	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		9610050	11.14	9610050	11.14
S. NO.	For Each of the Top 10 Shareholders		Shareholding during the year		Cumulative Shareholding during the Year	
2	SHIV NARAYAN INVESTMENTS PVT LTD		No. of shares	% of total shares of the	No. of shares	% of total shares of the

# HIMACHAL FIBRES LIMITED



				company		company
	At the beginning of the year		8999750	10.43	8999750	10.43
<b>Date</b>	Increase/ Decrease	Reason				
<b>NIL</b>	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		8999750	10.43	8999750	10.43
<b>S. NO.</b>	For Each of the Top 10 Shareholders		Shareholding during the year		Cumulative Shareholding during the Year	
<b>3</b>	GARG FINCAP LIMITED		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		6715000	7.79	6715000	7.79
<b>Date</b>	Increase/ Decrease	Reason				
<b>NIL</b>	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		6715000	7.79	6715000	7.79
<b>S. NO.</b>	For Each of the Top 10 Shareholders		Shareholding during the year		Cumulative Shareholding during the Year	
<b>4</b>	RAMESH KUMAR		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		3750000	4.35	3750000	4.35
<b>Date</b>	Increase/ Decrease	Reason				
<b>NIL</b>	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		3750000	4.35	3750000	4.35
<b>5</b>	ROMESH K. AGGARWAL		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		2260000	2.62	2260000	2.62
<b>Date</b>	Increase/ Decrease	Reason				
<b>11-09-2020</b>	Decrease	Sell	918	0.00	2259082	2.61
<b>18-09-2020</b>	Decrease	Sell	245	0.00	2258837	2.61
	At the end of the year		2258837	2.61	2258837	2.61
<b>S. NO.</b>	For Each of the Top 10 Shareholders		Shareholding during the year		Cumulative Shareholding during the Year	
<b>6</b>	SALASAR INDUSTRIAL INVESTMENT P.LTD.		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		698000	0.81	698000	0.81
<b>Date</b>	Increase/ Decrease	Reason				
<b>NIL</b>	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		698000	0.81	698000	0.81
<b>S. NO.</b>	For Each of the Top 10 Shareholders		Shareholding during the year		Cumulative Shareholding during the Year	
<b>7</b>	SOLI ARDESHIR KARANJIA		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		382591	0.44	382591	0.44
<b>Date</b>	Increase/ Decrease	Reason				
<b>NIL</b>	NIL	NIL	NIL	NIL	NIL	NIL



# HIMACHAL FIBRES LIMITED



	At the end of the year		382591	0.44	382591	0.44
<b>S. NO.</b>	For Each of the Top 10 Shareholders		Shareholding during the year	Cumulative Shareholding during the Year		
<b>8</b>	SKYLAND TRADING CO. LTD.		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		275000	0.32	275000	0.32
<b>Date</b>	Increase/ Decrease	Reason				
<b>NIL</b>	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		275000	0.32	275000	0.32
<b>S. NO.</b>	For Each of the Top 10 Shareholders		Shareholding during the year	Cumulative Shareholding during the Year		
<b>9</b>	CHERUKARA SAM SAMUEL		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		268267	0.31	268267	0.31
<b>Date</b>	Increase/ Decrease	Reason				
<b>NIL</b>	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		268267	0.31	268267	0.31
<b>S. NO.</b>	For Each of the Top 10 Shareholders		Shareholding during the year	Cumulative Shareholding during the Year		
<b>10</b>	JYOTI TRADE & CREDIT P. LTD.		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year		250000	0.29	250000	0.29
<b>Date</b>	Increase/ Decrease	Reason				
<b>NIL</b>	NIL	NIL	NIL	NIL	NIL	NIL
	At the end of the year		250000	0.29	250000	0.29

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

SN	Shareholding of each Directors and each Key Managerial Personnel			Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>GIAN CHAND THAKUR (Whole time Director)</b>						
	At the beginning of the year			-	-	-	-
	<b>Date</b>	<b>Increase/ Decrease</b>	<b>Reason</b>				
	NIL	NIL	NIL	NIL	NIL	NIL	<b>NIL</b>
	At the end of the year			-	-	-	-
<b>2</b>	<b>MALKEET KAUR ( Director)</b>						
	At the beginning of the year			-	-	-	-
	<b>Date</b>	<b>Increase/ Decrease</b>	<b>Reason</b>				
	NIL	NIL	NIL	NIL	NIL	NIL	<b>NIL</b>
	At the end of the year			-	-	-	-

# HIMACHAL FIBRES LIMITED



<b>3</b>	<b>MANOJ KUMAR ( Director)</b>						
	At the beginning of the year			-	-	-	-
	<b>Date</b>	<b>Increase/ Decrease</b>	<b>Reason</b>				
	NIL	NIL	NIL	NIL	NIL	NIL	<b>NIL</b>
	At the end of the year			-	-	-	-
<b>4</b>	<b>SURJIT SINGH (Director)</b>						
	At the beginning of the year			-	-	-	-
	<b>Date</b>	<b>Increase/ Decrease</b>	<b>Reason</b>				
	NIL	NIL	NIL	NIL	NIL	NIL	<b>NIL</b>
	At the end of the year			-	-	-	-
<b>5</b>	<b>Laxmi Khatri (KMP) (Company Secretary)</b>						
	At the beginning of the year			-	-	-	-
	<b>Date</b>			<b>Increase/ Decrease</b>	<b>Reason</b>		
	NIL			NIL	NIL	NIL	<b>NIL</b>
	At the end of the year			-	-	-	-
<b>6</b>	<b>NAVRATTAN SHARMA (KMP) (CFO)</b>						
	At the beginning of the year			-	-	-	-
	<b>Date</b>	<b>Increase/ Decrease</b>	<b>Reason</b>				<b>Date</b>
	NIL	NIL	NIL	NIL	NIL		<b>NIL</b>
	At the end of the year			-	-	-	-

## V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
i) Principal Amount	31469340.00	52500000.00	-	83969340.00
ii) Interest due But not paid	620340.00	-	-	620340.00
iii) Interest Accrued but not due	-	-	-	-
<b>Total(i+ii+iii)</b>	<b>32089680.00</b>	<b>52500000.00</b>	-	<b>84589680</b>
change in indebtedness during the financial year				
*Addition	10118732.00	-	-	10118732.00
*Reduction	5659532.00	-	-	5659532.00
<b>Net Change</b>	-	-	-	
Indebtedness at the end of the financial year				
i) Principal Amount	35958015.00	52500000.00	-	88458015.00
ii) Interest due But not paid	591045.00	-	-	620340.00
iii) Interest Accrued but not due	-	-	-	-
<b>Total(i+ii+iii)</b>	<b>36549060.00</b>	<b>52500000.00</b>	-	<b>89049060.00</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

# HIMACHAL FIBRES LIMITED



## A. Remuneration of Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		WTD		
		GIAN CHAND THAKUR		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	720000.00	-	720000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit- others, specify...	-	-	
5	Others, please specify		-	
	Total (A)	720000.00		720000.00
	Ceiling as per the Act	-	-	-

## B. Remuneration to other directors:

SN.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS			TOTAL AMOUNT
		MALKEET KAUR	MANOJ KUMAR	SURJIT SINGH	
1	Independent Directors				
	Fee for attending board & committee meetings	10000.00	-	10000	20000.00
	Commission	-	-	-	-
	Others, please specify				
	Total (A)	10000.00	-	10000	20000.00
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board & committee meetings	-	10000.00	-	10000.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (B)	-	10000.00	-	10000.00
	<b>Total Managerial Remuneration (A)+(B)</b>	<b>10000.00</b>	<b>10000.00</b>	<b>10000</b>	<b>30000.00</b>
	Overall Ceiling as per the Act	-	-		-

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS (Laxmi Khatri)	CFO (NAVRATTAN SHARMA)	Total
1	Gross salary	169494.00	481107.00	650601.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-

# HIMACHAL FIBRES LIMITED



2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	169494.00	481107.00	650601.00

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
The annual return of the company is available at company's website i.e. <a href="http://www.himachalfibre.com">www.himachalfibre.com</a>					

### Annexure- 3

#### FORM NO. 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 arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended on March 31<sup>st</sup> 2021, which were not at Arm's Length basis.

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

Name(s) of the related party and nature of relationship	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Amount ( in Rs. Lacs )
NIL					



## Annexure- 4

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

#### (A) Conservation of Energy –

- i. **The steps taken or impact on conservation of Energy** – Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution system and through improved operational techniques.
- ii. **The steps taken by the company for utilizing alternate sources of energy** : NIL
- iii. **The capital investment on energy conservation equipments** – Due to Industry scenario and inadequate profits in previous year's company was not able to spend any money on equipments for energy conservation.

#### (B) Technology absorption –

- i. **The efforts made towards technology absorption;**  
The Company is continuously endeavoring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product. The Company has successfully achieved results in reducing the cost of production, power consumption and improving technical efficiencies and productivity.
- ii. **The benefit derived like product improvement, cost reduction, product development or import substitution:** NONE
- iii. **In case of imported technology ( imported during the last three years reckoned from the beginning of the financial year) :**  
**NONE**
  - a. The details of technology imported;
  - b. The year of import;
  - c. Whether the technology been fully absorbed;
  - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv. **The expenditure incurred on Research and Development:** No specific expenditure exclusively on R&D has been incurred. The indigenous technology available is continuously being upgraded to improve the overall performance of the Company.

#### (C) FOREIGN EXCHANGE EARNING AND OUTGO

	2020-21 (12 Months) (Rs./Lacs)	2019-20 (12 Months) (Rs./Lacs)
a) Earning (Export Sales- FOB Value)	NIL	NIL
b) Outgo:		
i) Imports-Raw Material & Spares	NIL	2.11
Capital Goods	NIL	NIL
ii) Expenditure	NIL	NIL
c) Net Foreign Exchange Earnings	NIL	-2.11

## Annexure – 5

### 1. INFORMATION REQUIRED UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Particulars	Status	
	NAME	NUMBER OF TIMES
i. The ratio of the remuneration of each Director to median remuneration of the employees of the company for F. Y. 2020-21	Mr. Gian Chand Thakur	08.78
	Mrs. Malkeet Kaur	00.13
	Mr. Manoj Kumar	00.13
	Mr. Surjit Singh	00.13
	Mr. Pawan Nagpal	00.13
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	DIRECTOR	%
	Mr. Gian Chand Thakur	2.41%
	Mrs. Malkeet Kaur	0%
	Mr. Manoj Kumar	0%
	Mr. Surjit Singh	0%
	Mr. Pawan Nagpal	0%
	CFO	
	Mr. Navrattan Sharma	-24.56%
COMPANY SECRETARY		
Mrs. Laxmi Khatri	-16.58%	



iii.	The percentage increase in the median remuneration of employees in the financial year	-20.40%
iv.	The number of permanent employees on the rolls of company as on March 31 <sup>st</sup> 2021	296
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average decrease for Key Managerial Personnel is (20.39%) and for other employees was about (20.40%). There is no exceptional increase in remuneration of Key Managerial Personnel.
vi.	Affirmation that the remuneration is as per the remuneration policy of the company	It is affirmed that the remuneration is as per the remuneration Policy of the Company.

**2. There was no employee in receipt of remuneration as mentioned in Rule 5(2)(i), (ii), (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

**Annexure – 6**

**Nomination and Remuneration Policy**

**APPLICABILITY**

The policy is applicable to the Board of Directors, Key Managerial Personnel (KMP), Chief Operating Officer, and Senior Management Personnel (herein after collectively referred as Managerial Personnel) or such other persons of the Company as the committee may deems fit for that purpose.

**INTERPRETATION**

**‘Board’** shall mean the Board of Directors of the Company, which comprising all executive, non executive, independent director and nominee director.

**‘Chief Executive Officer’** means an officer of a company, who has been designated as such by it;

**‘Chief Operating Officer’** shall mean an employee who has been entrusted responsibility of managing any one or more of Units of the Company.

**‘Chief Financial Officer’** means a person appointed as the Chief Financial Officer of a company

**‘Compliance Officer’** means “Company Secretary” of the Company.

**‘Key Managerial Personnel’** in relation to a company, means—

- ❖ Managing Director, or Chief Executive Officer or manager and in their absence, a Whole-Time Director.
- ❖ Company Secretary; and
- ❖ Chief Financial Officer; and

Such other officer as may be prescribed;

**‘The Company’** shall mean Himachal Fibres Limited.

**‘Executive Director’** shall mean and include Company’s Managing Director, Functional Directors, and such other Directors are in full time employment of the Company.

**‘Independent Director’** shall same meaning as provide in Companies Act, 2013 read with SEBI (LODR) Regulations, 2015.

**‘Non-Executive Director’** shall mean those members on Board who are not in whole time employment of the Company.

**‘Senior Management Personnel’** shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

**ROLE OF THE COMMITTEE**

The role of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become directors, persons who may be appointed in senior management in accordance with the criteria and to recommend to the Board for their appointment and / or removal
2. To carry out evaluation of every director's performance
3. To establish criteria and processes for, and assist the Board and each of its Committees in their performance evaluations



4. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
5. To recommend / review remuneration of the Managing Director(s) and Whole time Director(s), based on their performance and defined assessment criteria
6. To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including
  - ❖ the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate
  - ❖ the conditions under which option vested in employees may lapse in case of termination of employment for misconduct
  - ❖ the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period
  - ❖ the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee
  - ❖ the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period
  - ❖ the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others
  - ❖ the granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options
7. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable
8. To perform such other functions as may be necessary or appropriate for the performance of its duties

#### **IMPLEMENTATION OF POLICIES**

The Committee will seek to ensure that the remuneration of executive directors (consisting of basic salary, pension benefits and benefits in kind) will be competitive with those in other comparable organizations so as to attract high caliber individuals with relevant experience.

The Committee will ensure that part of the remuneration of executive directors will be based on the financial performance of the Group using predetermined targets so as to motivate and reward successful business performance in the interest of shareholders.

#### **AUTHORITY**

The Committee is authorized:

- ❖ to seek any information it requires from any employee of any company within the Group in order to perform its duties;
- ❖ to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- ❖ to call any member of staff to be questioned at a meeting of the Committee as and when required.

#### **FREQUENCY OF MEETINGS**

The Committee shall meet as per the requirement of Companies Act, 2013 rules made there under read with requirement of SEBI (LODR) Regulations, 2015.

#### **PRESENCE IN ANNUAL GENERAL MEETING**

The Chairperson of the Committee or, in his absence any other member of the committee as authorized shall attend the Annual General Meeting.

#### **ANNUAL AFFIRMATION**

The policy shall be disclosed in the Board Report of the Company.

#### **CRITERIA TO EVALUATE PERFORMANCE**

##### **a) Selection Criteria for Directors**

The Company shall consider the following aspects while appointing a person as a Director on the Board of the Company.

**Skills and Experience:** The candidate shall have appropriate skills and experience in one or more fields of finance, law, management, sales, marketing, administration, public administrative services, research, corporate governance, technical operations or any other discipline related to the Company's business.



**Age Limit:** The candidate should have completed the age of twenty-one (21) years and should not have attained the age of eighty (80) years. In case any director has attained age of 80 years he can be appointed as director with the permission of board.

**Conflict of Interest:** The candidate should not hold Directorship in any competitor company, and should not have any conflict of interest with the Company.

**Directorship:** The number of companies in which the candidate holds Directorship should not exceed the number prescribed under the Act or under the SEBI (LODR) Regulations, 2015 requirements.

**Independence:** The candidate proposed to be appointed as Independent Director, should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements imposed under the Act or under the SEBI (LODR) Regulations, 2015 requirements.

## b) Selection Criteria for Senior Management

As per Selection Criteria Senior Management shall mean employees hired at the level of Divisional Heads and Corporate Functional Heads or equivalent positions.

The policy provides that the candidate should have appropriate qualifications, skills and experience for discharging the role. The qualifications, skills and experience of each such position shall be defined in the job description, which will be maintained by the HR function.

## c) Remuneration for Directors, KMP and other Employees

The policy provides that the remuneration of Directors, KMP and other employees shall be based on the following key principles:

- **Pay for performance:** Remuneration of Executive Directors, KMP and other employees is a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal. The sitting fee shall be paid to Non-Executive Directors to be decided by the Board from time to time.
- **Balanced rewards to create sustainable value:** The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors and employees of the Company and encourage behavior that is aligned to sustainable value creation.
- **Competitive compensation:** Total target compensation and benefits are comparable to peer companies in the textile industry and commensurate to the qualifications and experience of the concerned individual.
- **Business Ethics:** Strong governance processes and stringent risk management policies are adhered to, in order to safeguard our stakeholders' interest.

## d) Performance Evaluation

The process approved by the Nomination and Remuneration Committee requires the Chairperson to initiate the performance evaluation process in the month of April every year. The performance evaluation is conducted based on approved criteria in the evaluation forms. The process highlights are as under:

- a) **Board:** Each Board member completes the self-evaluation form. Independent Directors discuss the self-evaluation forms in a separate meeting and share their feedback with the Chairperson of the Company. The Chairperson discusses with the entire Board at the Board Meeting.
- b) **Committees:** Each Committee member completes the self-evaluation form and shares feedback with the Chairperson of the Committee. The Chairperson of the Committee discusses the evaluation form analysis with the Managing Director and later with the entire Board at the Board Meeting.
- c) **Chairperson and Executive Directors:** Each Board member completes the peer evaluation form. Independent Directors discuss the peer evaluation forms in a separate meeting and share their feedback with the Chairperson. The Chairperson conveys feedback individually to the concerned Directors.
- d) **Independent Directors:** Each Board member completes the peer evaluation and shares feedback with the Chairperson. The Chairperson conveys feedback individually to the concerned Directors.

## AMENDMENT

The member of the Nomination and Remuneration Committee of the Company has the right to amend or modify this policy in whole or in part, at any time without assigning any reason, whatsoever.

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## Annexure – 7

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### OVERALL REVIEW:

COVID-19 pandemic as a cause of the Wuhan virus, reflecting common influences across countries and country-specific factors. Worsening macroeconomic stress related to tighter financial conditions, geopolitical tensions and social unrest rounded out the difficult picture. The global economy, which was facing headwinds due to structural barriers in international trade from last couple of years mainly due to USA-China trade tensions, got severe jolt of COVID-19 led crisis. Increasing trade barriers as well as trade uncertainty stemming from rising trade tensions, especially between US and China as well as India and China, also resulted in declining business confidence and further limited trade. This led to drastic reduction in all kind of economic activities of consumption and investment leading to damping of consumers', investors' and industry's sentiments. The global economy grew by 2.9% in CY 2019, recording its weakest pace since the global financial crisis of 2008. The global economy contracted by 3.3% in CY 2020, as all major economies barring China slipped into recession with COVID19 induced lockdowns and chiefly attributed to demand destruction. Amidst a weak environment for global manufacturing & trade and challenges in the domestic financial sector, as per provisional National Income estimates released by the National Statistical Office, India's Gross Domestic Product (GDP) contracted 7.3% in 2020-21 after the country had entered a technical recession in the first half of the year.

#### Indian economy

The Indian Economy too, was severely impacted because of the Covid-19 Pandemic. The economic implications of the COVID-19 pandemic are far reaching and have caused significant disturbance and slowdown of economic activity which in turn drastically affected India's real Gross Domestic Production (GDP). The Government and policy makers acted promptly and announced complete lockdown from 24 March, 2020 for 21 days which was further extended as per the prevailing situation in the country. The lockdown restrictions forced the industry to temporarily suspend their operations. However, with the improvement in the Covid-19 situation, the Government started opening the lockdown in stages so that the economy is put on the path of recovery as well as growth. In compliance with the lockdown restrictions, your company also suspended the business operations of the company which in turn affected the business performance of the company during the year. After getting the necessary approval/permission from the authorities, the company partially started its operations in April, 2020 and gradually increased the capacity utilization and reached the pre COVID-19 in August, 2020. Since then, the plants are running at its full capacity.

#### Textile Industry

The Indian Textile Industry is one of the largest in the World, enjoying its presence in the entire value chain i.e. cotton, yarn, fiber and apparel. India is one of the largest manufacturer and exporter in the world and has a share of 6% of global trade in textiles. The uniqueness of the industry lies in its strength both in the organized and unorganized Sector. The Textile Industry continues to play a dominant role in the economic growth of the country. Its importance is evident from the fact that it is the largest contributor towards employment generation, Industrial Output and Export earnings. The industry is sustaining livelihoods of 45 million people by providing them employment directly and another 60 million people in allied sectors, including a large number of women and rural population contributing 7% of Industry output in value terms, 2.3% of India's GDP and contributing 12% to the country's total exports earning. (Source: Annual Report 2019-2020 of Ministry of Textiles.) We would like to inform you that the textiles industry has been severally affected ever since the implementation of the GST, post which the imports in the sector has surged especially from low cost manufacturing destinations like Bangladesh and Sri Lanka. The industry has been additionally facing hurdles due to slackness in global demand and withdrawal of various Government incentives. The outbreak of Covid-19 pandemic further aggravated the problem for the industry and is expected to decelerate the growth projection of the textile and apparel industry in India, which was once projected to grow at a CAGR of 12% to reach USD 220 billion by 2025-26 (as per the data released by the Ministry of Textiles). Due the outbreak of the pandemic, it is expected that the domestic market is seen shrinking by around 28%-30% to USD 61 billion. The Government is fully conscious of the importance of the textile industry and the sector is going to be its key focus area in the new policies being framed so as to achieve the target of USD 5 Trillion economy. In budget 2021-22, the Government proposed a scheme for setting up mega textile parks in the country to enable India's textile industry to become globally competitive, attracts large investments and boost employment generation through the creation of world class infrastructure. It also announced that seven mega textile parks will be established over three years as part of the scheme. The mega textile parks will have integrated facilities and quick turnaround time for minimizing transportation losses, eyeing big-ticket investments in the sector. With such a massive level of production in the textile sector due to unprecedented boost by the Government, the textile industry is going to be the biggest beneficiary and will help the country in becoming a Global Textile Hub. Your Management is quite optimistic that Industry with the support of favorable Government Policies and Programmes will be able to increase its share in Global Textile Markets. In line with the global trends and to remain competitive, your company continues to modernize, upgrade and expand its capacities so that it remains globally competitive in terms of cost and quality.



## Opportunities & Threats

We would like to inform that presently India's share in the Global Textile export is just 6% which is minuscule as compared to China's share of 38%. Thus, the Global supply chain is heavily dependent on China, as on date. The outbreak of COVID-19 pandemic, trade tension between U.S. and China coupled with geopolitical uncertainty has severely affected Chinese Textile Exports. It has provided an opportunity to the Indian Textile industry to grab the space vacated by China in the developed world especially in US and European Union. Moreover, a number of countries around the world have understood from the COVID-19 calamity that dependence on the one country for its textiles requirements, is not a good policy. So, in the changed business scenario they have started looking for alternative production sources other than China. India should capitalize this opportunity and present itself as a credible alternative. India certainly has an edge to be an alternative manufacturing hub for global players as two major things required to run textile Industry are cotton and skilled work force and they are abundantly available in the country. More and more overseas buyers are looking at India as the next best alternative supplier of textile products and it is expected that more orders will shift to Indian textile industry. The post-Covid19 era has provided a big opportunity for the online textile industry. It is expected that retailing will prove to be a big game changer by playing a pivotal role in the recovery of the Indian economy. This is a big opportunity and the textile industry must utilize the opportunity. The relative success of the Spinning Industry is dependent on the availability of Raw Cotton at reasonable prices. The Raw cotton is the main Raw material (constituting approx. 60% of the total cost) for the manufacture of cotton yarn and it is dependent on the Nature i.e. Good/Bad Monsoon. So availability of raw cotton at reasonable prices is crucial for the spinning Industry. Any significant change in raw cotton prices and Monsoon can affect the performance of the Industry. With the expectation of good monsoon in the country, the future of textile industry seems to be bright. The Textile Industry is also not free from normal business risks and threats. The Outbreak of COVID19 pandemic severely impacted the Textile industry. The prevailing situation is still uncertain and is changing dynamically. The slowdown in the Global Trade because of the Covid-19 Pandemic has affected exports of textile products. Moreover, exports continues to face stiff challenges from the small countries like Bangladesh, Sri Lanka, Taiwan and Pakistan etc., who have got the preferred treatment from the countries of European Union and U.S. The above mentioned factors have had and will continue to have a significant bearing on the financial performance of the Industry in the coming period too.

Indian Textile Industry is one of the key industry of the country and the Government through its policies and initiatives continues to give further push to the industry so that it become global competitive and increase its global share. The industry has immense potential and can contribute to the growth of the country. During the year under review, the Covid-19 pandemic impacted the textile industry severely. The second wave of Covid-19 in April - May, 2021 is also posing short term disturbance for the industry. However the proactive policies support from the Government coupled with Fiscal/Monetary policy of RBI has given a little bit relief to the industry. The sector needs more support so that it can enhance its competitive advantage in terms of technology up gradation so as to achieve sustained growth in Exports as well as Domestic markets. The Industry on their part is also continuously modernizing and upgrading its Technology to maintain its core competence and convert it into the competitive edge over others. We are quite hopeful that with the improvement in the global demand and opening of the global economies of the world will definitely give a push to the prospects of the textile industry. We are looking at the future with optimism and expects that situation will improve for better in the current financial year. We expect that in this difficult period, Government will support the Spinning industry in the form of favorable Textile policies, incentives and other benefits which are of paramount importance for the future growth of the Industry.

## Segment wise or Product wise Financial Operation and Performance

The Company is operating in single segment only i.e. Textile. We wish to inform you that the year gone by has been a very difficult and challenging year for Textiles Industry. The COVID-19 impacted Company's normal business operations. The Company experienced lot of cancellations and renegotiations in its contracts. Besides, Trade tension between U.S. and China, slackness in global as well as domestic demand and fall in the prices of products impacted Company's operational and financial performance. Due to weak domestic textile market through-out the year and COVID 19 break out, the total revenue from operation for the year is Rs. 1454.39 Lakhs as compared to Rs. 4265.94 Lakhs of previous year. The Net Loss after tax for the year ended March 31st, 2021 is Rs. (488.66) Lakhs as compare to Net Loss after tax of Rs. Rs. (224.31) Lakhs for the previous year. There is liquidity crunch and weak market sentiments. For FY 22, the immediate focus shall be on the recovery of the outstanding and ensuring the earliest dispatches of the finished goods inventory to have a tighter control on the working capital and reigning in fixed costs to conserve cash.

## Outlook

Overall, FY 22 is expected to be a tough year for the textile industry and major focus shall be on cost cutting measures, improving productivity, reduction in wastage and efforts on taking quality to next level and deriving efficiency to make products further cost competitive. Once we are through from the lock-down and the market reopens fully, the industry expects to bounce back, with its new world-wide product range ensuring competitive products having anti-microbial, anti-viral features with different finishes along with growing focus on sustainability range of products. It is a testing period for all of us, but with our good brand image and network in the market, the dependency on reliable reputed players in the market, we expect to be back on track soon.



## **Risk and Concerns**

Overall negative impact is expected across the industry due to current COVID 19 pandemic. The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The key business risks identified by the Company and its mitigation plans are as under.

### **a) Risk related to Personnel**

Our business is increasingly dependent on the skills and competencies of our employees and management team. The general war for talent in our growing economy has created a substantial risk related to the retention of key personnel both in manufacturing and managerial levels. This risk is mitigated through effective HR policies relating to recruitment and retention and a proactive remuneration and rewards policy that is periodically reviewed at the highest management level.

With excellent performance track as well as best HR practices we are able to attract and retain people for growth of our business.

### **b) Risk related to Safety**

The company has taken adequate insurance covers to indemnify the risks associated with the safety of personnel, building, stock and other infrastructure of the Company. These include:

1. Thermal Checking at gate
2. Fire Insurance Policies.
3. Marine/ Transit Insurance Policies.
4. Theft Insurance Policies.
5. Other Miscellaneous Policies.

The company has also taken steps to strengthen IT security system as well as physical security system at all our locations and our company also taken the precautionary measures due to COVID 19 i.e. thermal Screening of all the employees and the visitors at the entry point of the Company, Sanitizing the premises on regular basis, Compulsion on wearing of masks by everyone, regularly washing of hands and maintaining social distancing at the workplace of all the employees.

### **c) Compliance Related Risks**

The Company is committed to being a responsible corporate citizen and respects the laws and regulations of the country. All the compliances under various laws applicable to the Company, including under Companies Act 2013, Factories Act, Income Tax Act 1961 etc., are followed in Letter & Spirit.

## **Internal Control Systems and Their Adequacy**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. 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 Chairperson of the Audit Committee of the Board & to the Chairperson and Managing Director/Whole Time Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their 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.

## **Human Resources/ Human Resource Management.**

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. Talent Management is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within our organization. Your Company has kept a sharp focus on Employee Engagement.

## **Cautionary Statement**

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook.



**Annexure – 8**

**Declaration by the Whole time Director under the Listing Regulations regarding compliance with Code of Conduct**

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that all Board Members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31<sup>st</sup> 2021.

Sd/-

**Place: Ludhiana**  
**Date: August 14<sup>th</sup> 2021**

**Gian Chand Thakur**  
**Whole time Director**  
**DIN: 07006447**

**Annexure –9**

**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)***

The Members,  
Himachal Fibres Limited,  
Plot No. 43-44, Industrial Area,  
Barotiwala. (Himachal Pradesh)

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directorsof**HIMACHAL FIBRES LIMITED**havingCIN:**L17119HP1980PLC031020**and having registered office atPlot No. 43-44, Industrial Area, Barotiwala. (Himachal Pradesh)(hereinafter referred to as 'the Company'), produced before me/us 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/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the **Financial Year ending on 31<sup>st</sup> March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
<b>1</b>	MANOJ KUMAR	06872575	<b>22.08.2016</b>
<b>2</b>	GIAN CHAND THAKUR	07006447	<b>12.11.2014</b>
<b>3</b>	MALKEET KAUR	07140603	<b>28.03.2015</b>
<b>4</b>	<b>SURJIT SINGH</b>	<b>07143372</b>	<b>14.11.2018</b>

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Rajeev Bhambri & Associates**  
Sd/-

**Place: Ludhiana**

**Dated: 14.08.2021**

**(Rajeev Bhambri)**  
**Proprietor**  
**Company Secretary in Whole Time Practice**  
**UDIN: F004327C000785668C.P. No. 9491**



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIMACHAL FIBRES LIMITED

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

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of **HIMACHAL FIBRES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2021, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

a. We draw attention to Note 44 to the standalone financial results, which describes the uncertainties and the impact of second wave of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

b. We draw attention to Note 7 to the standalone financial results, which describes that the Company has made assessment of the inventories carried during the year under review on the basis its nature and ageing. On the basis of its assessment the company has identified inventories amounting to Rs.1676.75 Lacs as slow moving inventories and segregated it under the head "Other non current assets" in the Statement of Assets & Liabilities as at 31st March 2021.

Our Opinion is not modified in respect of the above matters.

#### Key Audit Matters

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

#### Key Audit Matter

#### Auditor's Response



<p><b>The company has shown Trade Receivables-Unsecured, Considered good amounting to Rs.803.82 Lacs as Other Non-Current Assets.</b></p> <p><b>See Note 6 of the standalone financial statements.</b></p>	<p>The procedures performed included the following among others:</p> <ul style="list-style-type: none"> <li>• Understood the management processes, assumptions and controls with regard to testing, evaluating and identifying the Trade Receivables as Non-Current Assets.</li> <li>• Obtaining external confirmation as per SA 505.</li> <li>• Management has determined that there is no impairment loss which needs to be provided for.</li> <li>• Obtaining representation letter from the management on the assessment of these matters as per SA 580 (revised) – Written representations.</li> </ul>
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### Information Other than the Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report and Directors’ Report, including annexures thereon, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, 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.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone Ind AS 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 is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor’s Responsibilities for the audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:

## HIMACHAL FIBRES LIMITED



- 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- g) 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 standalone Ind AS Financial statements; refer Note 30 to the standalone Ind AS financial statements.
- ii. The company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR MANJUL MITTAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 028039N**

**DATED: 30.06.2021  
PLACE: LUDHIANA**

**Sd/-  
MANJUL MITTAL  
PARTNER  
(M.NO.500559)  
UDIN:21500559AAAAEJ7182**





## “Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of **M/s Himachal Fibres Limited** (“the Company”) for the year ended March 31, 2021:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular programme for physical verification of its fixed assets by which its fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. However, there were certain fixed assets which were not verified during the year as planned due to outbreak of COVID-19 pandemic. As represented by the management, these will be covered for verification in the subsequent period. According to the information and explanations given to us, no material discrepancies were noticed on verification of the fixed assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- 2)(a) The management has conducted the physical verification of inventory at reasonable intervals.
- b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186 of the Act.
- 5) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- 6) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determining whether they are accurate or not.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable except following:-

S.No.	Statute	Nature	Amount (Rs.)
1	Income Tax Act,1961	Income Tax (FY12-13)	2183830/-
2	Himachal Pradesh Sales Tax Act	Works Contract Tax Payable	136008/-
3	Employee’s State Insurance Act, 1948	E.S.I Payable (FY 2018-19)	126878/-
4	Employee’s State Insurance Act, 1948	E.S.I Payable (FY 2019-20)	622037/-
5	Employee’s State Insurance Act, 1948	E.S.I Payable (FY 2020-21)	112277/-
6	Employee's Provident Fund Act, 1952	EPF Payable(FY 2019-20)	421973/-
7	Employee's Provident Fund Act, 1952	EPF Payable(FY 2020-21)	346012/-
8	Finance Act, 2005	Service Tax Payable	3630/-
9	Income Tax Act,1961	TDS/TCS Payable	63546/-

# HIMACHAL FIBRES LIMITED



b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except the following:-

S.No.	Statute	Nature	Amount (Rs.)
1.	Income Tax Act,1961	Income Tax (FY16-17)	35092883/-
2.	Income Tax Act,1961	Income Tax (FY17-18)	461550/-
3.	The Himachal Pradesh Value Added Tax Act, 2005	Entry Tax	7080000/-

8) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of dues to banks/Financial Institutions detailed as below:-

S.No.	Financial Institution and Banks	Amount O/s as on 31.03.2021 (Rs.)	Period of Default Since
1.	State Bank of India -WCTL	26304133/-	Declared NPA as on 31.03.2021.
2.	State Bank of India -FITL	10244927/-	
3.	State Bank of India-CC	163847379/-	

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans during the year under review. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

11) According to the information and explanations given to us and based on examination of records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act during the year under review.

12) Since the Company is not a Nidhi Company, therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) According to the information and explanations provided by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

16) According to the information and explanations provided to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**FOR MANJUL MITTAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REG.NO.028039N**

**DATED: 30.06.2021  
PLACE: LUDHIANA**

**MANJUL MITTAL  
PARTNER  
(M.NO.500559)  
UDIN:21500559AAAAEJ7182**



## **“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of M/s Himachal Fibres Limited**

### **Report on the Internal Financial Controls 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 M/s Himachal Fibres Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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 authorizations 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

## HIMACHAL FIBRES LIMITED



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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the 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.

**FOR MANJUL MITTAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REG.NO.028039N**

**DATED: 30.06.2021  
PLACE: LUDHIANA**

**MANJUL MITTAL  
PARTNER  
(M.NO.500559)  
UDIN:21500559AAAAEJ7182**



## HIMACHAL FIBRES LIMITED

### Balance Sheet as at 31st March 2021

Particulars	Note No.	As at 31.03.2021		As at 31.03.2020	
<b>ASSETS</b>					
<b>Non-current assets</b>					
(a) Property, Plant and Equipment	3	167141703		193976808	
(b) Right-of-use assets	41	628661		639354	
(c) Capital Work in Progress	4	0		21293840	
(d) Financial Assets					
(i) Others Financial Assets	5	2165000		2165000	
(e) Deferred tax assets (net)	34	15494955		6390701	
(f) Other non-current assets	6	<u>249635657</u>	435065976	<u>2728947</u>	227194650
<b>Current assets</b>					
(a) Inventories	7	52859405		251857690	
(b) Financial Assets					
(i) Trade receivables	8	33434743		91545980	
(ii) Cash and cash equivalents	9	657871		2230885	
(iii) Bank balances other than (ii) above	9A	0		9451231	
(iv) Others	10	0		225439	
(c) Current Tax Assets (Net)	11	3267268		2127006	
(d) Other current assets	12	<u>24202244</u>	114421531	<u>29794782</u>	387233013
<b>Total Assets</b>			<b><u>549487507</u></b>		<b><u>614427663</u></b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share capital	13	86250000		86250000	
(b) Other Equity	14	<u>172211526</u>	258461526	<u>221077396</u>	307327396
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	15	18417892		22876978	
(ii) Other Long Term Liabilities	15A	56043622		48797313	
(b) Provisions	16	<u>3018100</u>	77479614	<u>2922917</u>	74597208
<b>Current liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	17	163847379		146329033	
(ii) Trade Payables	18				
a) Due to Micro & Small Enterprises					
b) Due to Others		5039831		41890170	
(iii) Other financial liabilities	19	38961302		31884559	
(b) Other current liabilities	20	3481343		10188881	
(c) Provisions	21	<u>2216512</u>	213546367	<u>2210416</u>	232503059
<b>Total Equity and Liabilities</b>			<b><u>549487507</u></b>		<b><u>614427663</u></b>

For Manjul Mittal & Associates  
Chartered Accountants  
Firm Reg.No.028039N

MANJUL MITTAL  
PARTNER  
M.NO. 500559

GIAN CHAND THAKUR  
(DIRECTOR)  
DIN:07006447

MANOJ KUMAR  
(DIRECTOR)  
DIN: 06872575

30.06.2021  
LUDHIANA

NAVRATTAN SHARMA  
(CFO)

LAXMI KHATRI  
(COMPANY SECRETARY)



## HIMACHAL FIBRES LIMITED

### Himachal Fibres Limited

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

Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>REVENUE</b>			
Revenue from operations	22	145439716	426594168
Other Income	23	6410134	19019257
<b>Total Income</b>		<u>151849850</u>	<u>445613425</u>
<b>EXPENSES</b>			
Cost of materials consumed	24	17278374	123737170
Purchases of Stock-in-Trade		0	119636853
Changes in inventories of finished goods and work-in-progress	25	34468082	30982717
Employee benefits expense	26	49538957	80103312
Finance costs	27	33342733	31253640
Depreciation expense	28	20653156	20335087
Other expenses	29	56056430	63253643
<b>Total Expenses</b>		<u>211337732</u>	<u>469302422</u>
<b>Profit/ - Loss before exceptional items and tax</b>		-59487882	-23688997
Exceptional items			
<b>Profit/ - Loss before tax</b>		-59487882	-23688997
<u>Less: tax expense:</u>			
(1) Current tax		0	0
(2) Deferred tax		-9104254	-679297
<b>Profit/ - Loss for the period</b>		<u>-50383628</u>	<u>-23009700</u>
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		1517758	578668
(ii) Income tax relating to items that will not be reclassified to profit or loss		0	0
B (i) Items that will be reclassified to profit or loss		0	0
(ii) Income tax relating to items that will be reclassified to profit or loss		0	0
<b>Total Comprehensive Income for the period</b>		<u>-48865870</u>	<u>-22431032</u>
<b>Earnings per equity share:</b>			
(Nominal value of equity share - ` 1/-)			
Basic		-0.58	-0.27
Diluted		-0.58	-0.27

**For Manjul Mittal & Associates**  
Chartered Accountants  
Firm Reg.No.028039N

**MANJUL MITTAL**  
PARTNER  
M.NO. 500559

**GIAN CHAND THAKUR**  
(DIRECTOR)  
DIN:07006447

**MANOJ KUMAR**  
(DIRECTOR)  
DIN: 06872575

30.06.2021  
LUDHIANA

**NAVRATTAN SHARMA**  
(CFO)

**LAXMI KHATRI**  
(COMPANY SECRETARY)



# HIMACHAL FIBRES LIMITED

## Himachal Fibres Limited

### Cash Flow Statement for the Year Ended 31st March 2021

PARTICULARS	AMOUNT (RS.)	AMOUNT (RS.)
	Figures at the end of Current Reporting Period 31.03.2021	Figures at the end of Current Reporting Period 31.03.2020
<b>A. CASH FLOW FROM/USED IN OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	(57,970,124)	(23,110,329)
<b>ADJUSTMENTS FOR:</b>		
DEPRECIATION	20,653,156	20,335,087
MISCELLANEOUS EXPENSES WRITTEN OFF	-	-
INTEREST EXPENSES	33,342,733	31,253,640
INTEREST INCOME	(68,400)	(155,040)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>780,294</b>	<b>28,323,358</b>
<b>ADJUSTMENTS FOR:</b>		
(INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES	(162,823,919)	(14,110,720)
(INCREASE)/DECREASE IN INVENTORIES	198,998,285	42,907,505
INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER LIABILITIES	(36,379,855)	(3,514,812)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>574,805</b>	<b>53,605,331</b>
INCOME TAX PAID	-	191,209
<b>NET CASH FROM/USED IN OPERATING ACTIVITIES</b>	<b>574,805</b>	<b>53,414,122</b>
<b>B. CASH FLOW FROM/USED IN INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	(5,480,286)	(21,352,924)
SALE OF FIXED ASSETS	6,850,000	-
INTEREST RECEIVED	68,400	155,040
<b>NET CASH FROM/USED IN INVESTING ACTIVITIES</b>	<b>1,438,114</b>	<b>(21,197,884)</b>
<b>C. CASH FLOW FROM/USED IN FINANCING ACTIVITIES</b>		
(REPAYMENT) RECEIPT OF LONG TERM BORROWINGS	2,787,223	(3,056,109)
CHANGES IN WORKING CAPITAL LOANS/SHORT TERM BORROWINGS	17,518,346	2,592,212
INTEREST PAID	(33,342,733)	(31,253,640)
<b>NET CASH FROM/USED IN FINANCING ACTIVITIES</b>	<b>(13,037,164)</b>	<b>(31,717,537)</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVLANTS	(11,024,245)	498,701
OPENING CASH AND CASH EQUIVLANTS	11,682,116	11,183,415
CLOSING CASH AND CASH EQUIVLANTS	657,871	11,682,116

For Manjul Mittal & Associates  
Chartered Accountants  
Firm Reg.No.028039N

MANJUL MITTAL  
PARTNER  
M.NO. 500559

30.06.2021  
LUDHIANA

GIAN CHAND THAKUR  
(DIRECTOR)  
DIN:07006447

NAVRATTAN SHARMA  
(CFO)

MANOJ KUMAR  
(DIRECTOR)  
DIN: 06872575

LAXMI KHATRI  
(COMPANY SECRETARY)



## HIMACHAL FIBRES LIMITED

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Note No.	Description of assets	Gross carrying amount				Depreciation				Net carrying amount	
		As at 01.04.2020	Additions during the period	Disposal	As at 31.03.2021	Opening accumulated depreciation	Depreciation for the year	Eliminated on disposal of assets	Closing accumulated depreciation	As at 31.03.2021	As at 31.03.2020
<b>3.</b>	<b>Property, plant and equipment</b>										
	<b>At Works</b>										
	Freehold Land	82239.00	-	-	82239.00	-	-	-	-	82239.00	82239.00
	<b>Total</b>	<b>82239.00</b>	<b>0.00</b>	<b>0.00</b>	<b>82239.00</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>82239.00</b>	<b>82239.00</b>
	Buildings	130474683.21	0.00	-	130474683.21	66334193.37	4044972.70	-	70379166.07	60095517.14	64140489.84
	Plant and equipment	414735644.24	5461798.00	-	420197442.24	299446227.51	14392795.00	0.00	313839022.51	106358419.73	115289416.73
	Furniture and fixtures	1815293.75	18488.00	-	1833781.75	1713375.00	94031.00	-	1807406.00	26375.75	101918.75
	Vehicles	24503383.00	-	20934737.00	3568646.00	10576445.00	2047161.00	9261808.00	3361798.00	206848.00	13926938.00
	Office equipments	629322.00	-	-	629322.00	597855.00	-	-	597855.00	31467.00	31467.00
	Computers	924215.00	-	-	924215.00	840249.00	14576.00	-	854825.00	69390.00	83966.00
	Mobile Phones	34718.00	-	-	34718.00	32982.00	0.00	-	32982.00	1736.00	1736.00
	Electrical Fittings	581453.00	-	-	581453.00	491753.29	23160.00	-	514913.29	66539.71	89699.71
	Weighing Machines	85428.00	-	-	85428.00	36351.00	5630.00	-	41981.00	43447.00	49077.00
	Tubewell	324815.00	-	-	324815.00	295312.00	6631.00	-	301943.00	22872.00	29503.00
	<b>At Ludhiana Office</b>										
	Office equipments	42526.00	-	-	42526.00	40400.00	0.00	-	40400.00	2126.00	2126.00
	Computers	580394.00	-	-	580394.00	507383.00	0.00	-	507383.00	73011.00	73011.00
	Mobile Phones	149288.29	-	-	149288.29	74068.00	13506.00	-	87574.00	61714.29	75220.29
	<b>Total</b>	<b>574963402.49</b>	<b>5480286.00</b>	<b>20934737.00</b>	<b>559508951.49</b>	<b>380986594.16</b>	<b>20642462.70</b>	<b>9261808.00</b>	<b>392367248.87</b>	<b>167141703.00</b>	<b>193976808.00</b>





## HIMACHAL FIBRES LIMITED

Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
<b>4.</b>	<b>Capitail Work in Progress</b>		
	Machinery under Installation	-	21,293,840
	<b>Total</b>	-	<b>21,293,840</b>
<b>5.</b>	<b>Others</b>		
	Security deposits	2,165,000	2,165,000
	Non-current bank balances - term deposits	-	-
	Interest accrued but not due on - Fixed Deposits	-	-
	<b>Total</b>	<b>2,165,000</b>	<b>2,165,000</b>
<b>6.</b>	<b>Other non-current assets</b>		
	Capital Advances	1,578,635	1,678,635
	<b>Trade receivables</b>		
	-Unsecured, considered good :	80,381,619	1,050,312
	-Doubtful	755,225	-
	Less: Allowance for Doubtful receivables	(755,225)	-
	<b>Long Term Debtors</b>	<b>80,381,619</b>	<b>1,050,312</b>
	Slow Moving Inventories	167,675,403	-
	<b>Total</b>	<b>249,635,657</b>	<b>2,728,947</b>
<b>7.</b>	<b>Inventories</b> (Refer note no. 2 (h) for mode of valuation)		
	Raw materials	9,969,426	359,126
	Work-in-progress	1,008,433	1,150,959
	Finished goods	171,457,385	206,424,556
	Stock-In-Trade	8,959,478	8,317,863
	Stores and spares	29,140,086	35,605,186
		220,534,808	251,857,690
	Less: Slow Moving Inventories (Non Current)#	167,675,403	-
	<b>Total</b>	<b>52,859,405</b>	<b>251,857,690</b>
	# The Company has made assessment of the inventories carried during the year under review on the basis its nature and ageing. On the basis of its assessment the company has identified inventories amounting to Rs. 1676.75 Lacs as slow moving inventories and segregated it under the head " Other non current assets" in the Statement of Assets & Liabilities as at 31st March 2021.		
<b>8.</b>	<b>Trade receivables</b>		
	Unsecured, considered good :		
	Other Paties	114,571,587	91,545,980
	Less: Non Current Trade Receivables	81,136,844	-
		33,434,743	91,545,980
	Less: Provision for Doubtful Debts	-	-
	<b>Total</b>	<b>33,434,743</b>	<b>91,545,980</b>
	No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivables are due from firms or private companies respectively in which any director is a partner, or director or mamber.		
<b>9.</b>	<b>Cash and cash equivalents</b>		
	Balances with banks		
	- in current/ cash credit accounts	-	54,156
	- in deposit accounts with maturity upto three months (pledged with banks towards margin against Bank guarantees)		
	Cash in hand	657,871	2,176,729
	<b>Total</b>	<b>657,871</b>	<b>2,230,885</b>
<b>9A.</b>	<b>Bank balances other than Cash and cash equivalents</b>		
	<b>Other bank balances</b>		
	- Deposits with more than twelve months maturity	-	-



## HIMACHAL FIBRES LIMITED

- Deposits with more than three months but less than twelve months	-	9,451,231
	-	9,451,231
Less: Amounts disclosed as other financial assets (non current) [refer note 5]		
<b>Total</b>	<b>-</b>	<b>9,451,231</b>
<b>10. Others</b>		
Advances to Employees	-	-
Interest accrued but not due on - Fixed Deposits	-	225,439
<b>Total</b>	<b>-</b>	<b>225,439</b>
	<b>As at</b>	<b>As at</b>
	<b>31.03.2021</b>	<b>31.03.2020</b>
<b>11. Current Tax Assets (Net)</b>		
TDS/ TCS Recoverable (F.Y. 2020-21)	1,140,262	-
TDS/ TCS Recoverable (F.Y. 2019-20)	308,522	308,522
TDS/ TCS Recoverable (F.Y. 2018-19)	659,090	659,090
TDS/ TCS Recoverable (F.Y. 2017-18)	1,159,394	1,159,394
<b>Total</b>	<b>3,267,268</b>	<b>2,127,006</b>
<b>12. Other current assets</b>		
Leasehold Land - Pre-payment	-	-
Advances to suppliers of goods and services		
Related Parties - Where Director is Director or Member	-	-
Other Parties	3,134,123	1,799,524
Other advances Recoverable in Cash or Kind	1,148,159	1,121,048
Entry Tax Advance	-	27,069
Input VAT Credit (HP)	4,099	4,100
Input VAT Credit (Punjab)	8,328,173	8,328,173
VAT Reversed against Material with Jobworker	-	1,848,227
GST Input (HP and Punjab)	11,587,690	16,666,641
<b>Total</b>	<b>24,202,244</b>	<b>29,794,782</b>
<b>13. Equity Share capital</b>		
<b><u>Authorised</u></b>		
<i>Equity Shares</i>		
- 17,50,00,000(PY 17,50,00,000) Equity Shares for Re. 1/- EACH	175,000,000	175,000,000
<i>Preference Shares</i>		
- 1,65,000 16.5% Cumulative Redeemable Pref. Shares of Rs.100/- Each	16,500,000	16,500,000
- 14,35,000 4% Non-Cumulative Redeemable Pref. Shares of Rs.100/- Each	143,500,000	143,500,000
<b>Total</b>	<b>335,000,000</b>	<b>335,000,000</b>
<b><u>Issued, Subscribed &amp; Paid Up Equity Shares</u></b>		
- 8,62,50,000 (PY 8,62,50,000) Equity Shares for Re. 1/- Each Fully Paid up	86,250,000	86,250,000
<b>Total</b>	<b>86,250,000</b>	<b>86,250,000</b>

The reconciliation of the number of shares outstanding at the beginning and at the end of the period:

**Equity shares of Rs. 1/- each:**

Particulars	Number of shares		Number of shares	
	Amount	Amount	Amount	Amount



## HIMACHAL FIBRES LIMITED

Number of shares and amount at the beginning	86250000	86,250,000	86250000	86,250,000
Add : Shares issued	0	0	0	0
Number of shares and amount at the end		<u>86,250,000</u>		<u>86,250,000</u>

**Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:**

**Equity shares:** The company has one class of equity share having par value of Rs. 1/- per share. Every member holding equity shares and entitled to vote and present in person or by proxy shall have voting rights which shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid up or partly paid up) held by him bears to the total paid up equity capital of the company.

**Shares in the company held by each shareholder holding more than 5 percent shares:**

Name of the shareholder	Number of shares		Number of shares	
		% held		% held
Balmukhi Textile P Ltd.	13,180,500	15.28	13,180,500	15.28
Brijeshwari Textiles P Ltd.	13,180,500	15.28	13,180,500	15.28
Shiva Spinfab P Ltd.	13,680,500	15.86	13,680,500	15.86
Himachal Yarns Ltd.	9,610,050	11.14	9,610,050	11.14
Shiv Narayan Investments P Ltd.	8,999,750	10.43	8,999,750	10.43
Garg Fincap Ltd.	6,715,000	7.79	6,715,000	7.79
Mr. Akhil Malhotra	5,000,000	5.80	3,100,000	3.59
	<u>70,366,300</u>	<u>81.58</u>	<u>68,466,300</u>	<u>79.38</u>

#### 14. Other Equity

**Redeemable Preference Shares**

The Company has issued 12,00,000 (PY 12,00,000) 4% Non-Cumulative Redeemable Preference Shares of Rs. 100/- Each on 31st August 2009.

The said preference shares shall be redeemed after the expiry of 16th, 17th & 18th year from the date of allotment by repayments of the amounts paid up thereon along with such premium not exceeding 4% per annum (to be calculated for the period of 15 years) on the face value of preference shares for the period to be reckoned from the date of allotment in installment of 30%, 35%, and 35% respectively.

The Preference Shares are presented in the Balance Sheet as follows.

Particulars	As at		As at	
	31.03.2021		31.03.2020	
Equity Component of Preference Shares 4% Non-Cumulative Redeemable Preference Shares		<u>92,099,976</u>		<u>92,099,976</u>
Equity Component of Preference Shares		<u>92,099,976</u>		<u>92,099,976</u>
<b><u>Retained Earnings</u></b>				
Balance at the beginning of the year	(182,543,385)		(159,921,144)	
Add: Profit/(Loss) for the year	(48,865,870)		(22,431,032)	
Less: Income Tax for Earlier Years	-		(191,209)	
Balance at the end of the Year	<u>(231,409,255)</u>	(231,409,255)	<u>(182,543,385)</u>	(182,543,385)
<b>Capital redemption reserve</b>				
As at the commencement of the year	31,489,070		31,489,070	
Add: receipt during the year	-	31,489,070	-	31,489,070
<b>Capital reserves</b>				
As at the commencement of the year	177,793,476		177,793,476	
Add: receipt during the year	-	177,793,476	-	177,793,476
<b>Share Premium Account</b>				
As at the commencement of the year	52,000,000		52,000,000	
Add: Additions during the year	-	52,000,000	-	52,000,000
<b>Equity Component of Unsecured Loan</b>				
Less : Redeemed During The Year	50,238,259	50,238,259	50,238,259	50,238,259
<b>Total</b>		<u>172,211,526</u>		<u>221,077,396</u>

#### 15. Borrowings



## HIMACHAL FIBRES LIMITED

### Secured (\*)

Term Loans				
WCTL Account (Secured)	25,709,271		31,217,811	
Add/(Less) : Impact of IND AS effective ROI	108,889	-	121,517	
SBI - FITL - 39607700733 (LDH)	9,846,950			
SBI - FITL - 39607776996 (BADDI)	271,782			
Car Loans	-		-	
Less: Current maturities of long term loans (refer Note No. 19)	<u>(21,873,789)</u>	14,063,103	<u>(12,282,340)</u>	19,056,988
<b>Unsecured Loans</b>				
Inter Corporate Deposits	<u>52,500,000</u>		<u>52,500,000</u>	
Less: Equity Portion of Unsecured Loan	52,500,000		52,500,000	
	(50,238,259)		(50,238,259)	
Add: NPV of Interest on Unsecured Loans	<u>2,093,048</u>	4,354,789	<u>1,558,249</u>	3,819,990
<b>Total</b>		<u>18,417,892</u>		<u>22,876,978</u>

(A) WCTL from State Bank of India is Secured against 1st exclusive charge on entire Fixed Assets of the Company (Incl. EM of Leasehold rights on Plot no. 43-44, Industrial area, Barotiwala (H.P.). Measuring 81612 sq. mtrs.)

(B) These are further secured by 2nd charge on entire Current Assets of the Company and Personal Guarantee of Promoters of the Company namely Sh. Akhil Malhotra and Sh. Mayank Malhotra.

(C) WCTL is repayable in total 84 monthly Installments as follows: 83 Installments from march 2016 of Rs. 8.33 lacs each and balance in 1 monthly Installment of Rs. 8.61 lacs.

### 15A. Other Long Term Liabilities

Redeemable Portion of 4% Non-Cumulative Pref Share Capital

56,043,622 48,797,313

**Total** 56,043,622 48,797,313

### 16. Provisions

Provision for Employee Benefits

Gratuity 3,018,100 2,922,917

**Total** 3,018,100 2,922,917

### 17. Borrowings

(Secured, Considered Good)

Cash Credit Account (Secured) 163,847,379 146,329,033

**Total** 163,847,379 146,329,033

### 18. Trade payables

Creditors other than Micro and small Enterprises

- Other Parties 5,039,831 6,649,340

ILC Payable - 35,240,830

**Total** 5,039,831 41,890,170

### 19. Other financial liabilities

Current maturities of long-term debt

- State Bank of India WCTL 11,662,000 12,282,340



## HIMACHAL FIBRES LIMITED

- State Bank of India FITL	9,937,350	
- State Bank of India FITL	274,439	
Interest Payable on long term debt		
- State Bank of India WCTL	464,850	
- State Bank of India FITL	123,537	
- State Bank of India FITL	2,658	
Others		
-Employees Dues	9,673,705	15,333,211
Other Expenses Payable	6,822,763	4,269,008
<b>Total</b>	<b>38,961,302</b>	<b>31,884,559</b>
<b>20. Other current liabilities</b>		
Statutory Dues Payable		
- Provident Fund	964,121	421,973
- Employee State Insurance (ESI)	1,019,368	1,649,165
- Tax Deducted at Source	298,303	326,983
- Service Tax	3,630	3,630
- Work Contract Tax	136,008	136,008
Advance From Customers	59,913	6,651,122
Cheques Issued But Not Presented	1,000,000	1,000,000
<b>Total</b>	<b>3,481,343</b>	<b>10,188,881</b>
<b>21. Provisions</b>		
Provision for employee benefits		
- Gratuity	32,682	26,586
Income Tax Payable	2,183,830	2,183,830
<b>Total</b>	<b>2,216,512</b>	<b>2,210,416</b>
<b>22. Revenue from operations</b>		
<b>Sale of products</b>	<b>71,189,065</b>	<b>399,831,642</b>
	<u>71,189,065</u>	<u>399,831,642</u>
<b>Other operating revenues</b>		
Sale of waste	1,268,886	10,466,721
Sale of Capital Work In Process	18,660,270	-
Sale of scrap	385,716	725,382
	<u>20,314,872</u>	<u>11,192,103</u>
Less: Sale of Capital Work in Process	(18,660,270)	-
	<u>1,654,602</u>	<u>11,192,103</u>
<b>Jobwork Charges Received</b>	<b>72,596,049</b>	<b>15,570,423</b>
<b>Total</b>	<b>145,439,716</b>	<b>426,594,168</b>
	<u>145,439,716</u>	<u>426,594,168</u>
<b>23. Other income</b>		
Interest income	68,400	155,040
Misc income	7,500	1,193,566
Other Non -operative Income	6,334,234	12,612,195
Gain on sale of Assets		
Forex Gain		2,091
Rebate Received		192,422
Sundry Balances Written Back		4,863,943
<b>Total</b>	<b>6,410,134</b>	<b>19,019,257</b>
	<u>6,410,134</u>	<u>19,019,257</u>
<b>24. Cost of materials consumed</b>		



## HIMACHAL FIBRES LIMITED

### Cost of raw materials consumed

Opening stock of raw materials	359,126	19,380,922
Add: purchase of raw materials	<u>26,888,674</u>	<u>104,715,374</u>
	<u>27,247,800</u>	<u>124,096,296</u>
<b>Less :</b>		
Closing stock of raw materials	9,969,426	359,126
<b>Cost of materials consumed - Total</b>	<u>17,278,374</u>	<u>123,737,170</u>

### 25. Changes in inventories of finished goods and work-in-progress

#### **Closing inventories**

Finished goods	179,646,552	213,657,564
Saleable waste	770,311	1,084,855
Work-in-progress	<u>1,008,433</u>	<u>1,150,959</u>
	<u>181,425,296</u>	<u>215,893,378</u>

#### **Opening inventories**

Finished goods	213,657,564	239,474,039
Saleable waste	1,084,855	692,134
Work-in-progress	1,150,959	6,709,922
Stock-in-trade		
	<u>215,893,378</u>	<u>246,876,095</u>

#### (-) Increase/ decrease in inventories of finished goods and work-in-progress

Finished goods	34,011,012	25,816,475
Saleable waste	314,544	(392,721)
Work-in-progress	142,526	5,558,963
Stock-in-trade	-	-

#### **Changes in inventories of finished goods and work-in-progress - total**

	<u>34,468,082</u>	<u>30,982,717</u>
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### 26. Employee benefits expense

Salaries, wages and bonus	43,564,041	71,309,331
Contribution to provident fund and other funds	1,143,251	1,961,824
Gratuity expense	1,619,037	1,743,878
Staff welfare expenses	490,093	798,753
Bonus	1,642,387	2,586,378
Compensated Absences	<u>1,080,148</u>	<u>1,703,148</u>
<b>Total</b>	<u>49,538,957</u>	<u>80,103,312</u>

As at  
31.03.2021

As at  
31.03.2020

### 27. Finance costs

Interest	24,796,423	21,785,486
Interest exp.s as per IND AS	108,889	121,517
Other Borrowing Costs	372,797	1,661,359
Interest on Preference Shares	7,246,309	6,364,866
NPV of Interest on Unsecured Loans	534,799	469,121
Less: Interest Income	(147,145)	(666,515)
Bank Charges	430,661	1,517,806

#### **Total**

	<u>33,342,733</u>	<u>31,253,640</u>
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### 28. Depreciation Expense

Depreciation on property, plant and equipment (refer note no. 3)	20,642,463	20,324,394
Depreciation of Right of use assets (refer note no. 3A)	10,693	10,693
<b>Total</b>	<u>20,653,156</u>	<u>20,335,087</u>



## HIMACHAL FIBRES LIMITED

### 29. Other expenses

#### Manufacturing Expenses

Power & Electricity	27,454,530	39,316,532
Fuel Consumed	462,522	303,965
Oil & Lubricants	686,915	928,788
Store & Spares Consumed	4,661,235	4,745,870
Freight & Cartage Inwards	187,288	199,012
Lease Rent Machinery	2,094,000	2,050,000
Machinery Repair	4,415,006	4,036,531
	<u>39,961,496</u>	<u>51,580,698</u>

#### Administrative Expenses

Remuneration of Auditors		
(a) As Auditor	200,000	200,000
Board Meeting Expenses	31,270	50,580
Computer Repair & Expenses	2,541	30,290
Director's Remuneration	720,000	702,581
Fees Subscription & Taxes	231,794	232,648
Festival/ Worship Expenses	4,250	-
Fine & Penalty	46,827	2,492,216
General & Miscellaneous Expenses	49,563	24,166
Insurance Expenses	981,685	864,750
Legal & professional Expenses	679,745	704,729
Loss on sale of Assets	4,822,929	
Printing & Stationary Expenses	25,878	55,396
Rent Expenses	147,500	145,860
Repair & Maintenance	1,501,062	974,647
Telephone, Fax, Internet & Postage Expenses	103,074	199,010
Travelling Expenses	95,422	87,252
Vehicle Running & Maintenance	1,667,110	2,614,690
	<u>11,310,650</u>	<u>9,378,815</u>

#### Selling Expenses

Advertisement Expenses	51,600	47,200
Freight & Cartage Outwards	1,049,516	1,424,681
Packing & Handling Expenses	976,902	818,405
Sundry Balances Written off	1,939,926	-
Provision For Doubtful Debts	755,225	-
bate & Discount	11,115	3,844
	<u>4,784,284</u>	<u>2,294,130</u>

<b>Total</b>	<u>56,056,430</u>	<u>63,253,643</u>
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