**Shiva Texfabs Limited**
[**CIN:** U18101PB1993PLC013745]
**Regd. Office:** 4th Floor, Wood Stock Tower,
B-35/958, Adarsh Nagar, Ferozepur Road,
Ludhiana-141 001, Punjab
**E-mail:** csstl@shivagroup.info
**Website:** www.shivagroup.info

**Meeting of Secured Creditors of Shiva Texfabs Limited scheduled to be held through Video Conferencing with facility of remote e-voting under the supervision of the Hon'ble National Company Law Tribunal**

**Schedule of the Meeting through VC**

| | |
|---|---|
| **Day** | Saturday |
| **Date** | 21st February, 2026 |
| **Time** | 2:30 P.M. |
| **Mode** | Through Video Conferencing |
| **Venue** | Since the meeting is proposed to be held through Video Conferencing, physical venue of the meeting is not relevant/applicable |

**Schedule of remote e-voting facility which will be available before the date of meeting**

| | |
|---|---|
| **Commencement of remote e-voting** | Tuesday, 17th February, 2026 at 9:00 A.M. IST |
| **End of remote e-voting** | Friday, 20th February, 2026 at 5:00 P.M. IST |

**List of Documents**

| Sl. No. | Contents |
|---|---|
| **1.** | **Notice of the Meeting** along with Instructions for attending the meeting through Video Conferencing; and e-Voting |
| **2.** | **Explanatory Statement** |
| **3.** | **Scheme of Amalgamation** of Rudra Ecovation Limited (the Transferor Company) with Shiva Texfabs Limited (the Transferee Company) |
| **4.** | **Report on Valuation of Shares** & Share Exchange Ratio given by Mr Subodh Kumar, the IBBI Registered Valuer in respect of Securities or Financial Assets |
| **5.** | **Fairness Opinion** given by 3Dimension Capital Services Limited, SEBI Registered Category I Merchant Banker on the Report on Valuation of Shares & Share Exchange Ratio of the Registered Valuer |
| **6.** | **Complaints Report(s)** filed by Rudra Ecovation Limited with BSE Limited |
| **7.** | **Observation letter of BSE Limited (BSE)** on the proposed Scheme of Amalgamation |

| | |
|---|---|
| **8.** | **Pre-Scheme and Post-Scheme details of the assets, liabilities, net worth, and revenue** of the Transferor Company and the Transferee Company |
| **9.** | **Additional information/document(s) sought by SEBI** |
| **10.** | **Pre-Scheme detailed Shareholding Pattern** of the listed Transferor Company-Rudra Ecovation Limited |
| **11.** | **Pre-Scheme and Post-Scheme detailed Shareholding Patterns** of the Transferee Company-Shiva Texfabs Limited |
| **12.** | **Audited Financial Statements** of the Transferor Company and the Transferee Company for the year ended **31st March, 2025** |
| **13.** | **Un-audited Financial Statements** along with Limited Review Report of the **Transferor Company** for the period ended **30th September, 2025** |
| **14.** | **Audited Financial Statements** of the **Transferee Company** for the period ended **31st August, 2025** |
| **15.** | **Abridged Prospectus** of the un-listed Transferee Company along with the **Due Diligence Report** issued by 3Dimension Capital Services Limited, SEBI Registered Category I Merchant Banker |
| **16.** | **Compliance Report** |

**Contact Person for any clarification/assistance**

| | |
|---|---|
| **Mr Punit Mittal**<br>General Manager<br>Beetal Financial & Computer Services Pvt Ltd<br>[SEBI Registered Registrar and Share Transfer Agent (RTA)] | 011-29961281-82<br>98102 76579<br>beetalrta@gmail.com |
| **Ms Reema**<br>Company Secretary<br>Shiva Texfabs Limited | 6284301020<br>csstl@shivagroup.info |

Sd/-
**Ashwani Sharma, Advocate**
Chairperson of the meeting

Through

Sd/-
Kartikeya Goel, Advocate
**For Rajeev Goel & Associates**
Counsel for the Applicants
785, Pocket-E, Mayur Vihar-II
Delhi Meerut Expressway/NH-9
Delhi 110 091
e-mail: rajeev391@gmail.com
Website: www.rgalegal.in

**Date:** 13.01.2026
**Place:** New Delhi

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

CHANDIGARH BENCH-I, CHANDIGARH

(ORIGINAL JURISDICTION)

COMPANY APPLICATION NO. (CAA) 47/CHD/HRY OF 2025

IN THE MATTER OF THE COMPANIES ACT, 2013 (18 OF 2013)

SECTIONS 230 & 232

AND

IN THE MATTER OF SCHEME OF AMALGAMATION

AND

IN THE MATTER OF

RUDRA ECOVATION LIMITED

APPLICANT NO. 1/TRANSFEROR COMPANY

AND

SHIVA TEXFABS LIMITED

APPLICANT NO. 2/TRANSFEREE COMPANY

**NOTICE CONVENING MEETING**

**To**
**The Secured Creditors**
**of Shiva Texfabs Limited**

**Take Notice** that the Hon'ble National Company Law Tribunal, Chandigarh Bench-I, Chandigarh, vide its Order dated 6th November,2025 (date of pronouncement), has inter alia, directed for convening of a meeting of Secured Creditors of Shiva Texfabs Limited through Video Conferencing, for the purpose of considering and, if thought fit, approving, the proposed Scheme of Amalgamation of Rudra Ecovation Limited with Shiva Texfabs Limited and other connected matters, if any. The following Special Business will be transacted in the said meeting:

To consider and, if thought fit, to pass, the following resolution with specific majority as provided under Sections 230 & 232 of the Companies Act, 2013, and other applicable provisions, if any:

> *"**Resolved that** pursuant to the provisions of Sections 230 & 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, together with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961, and other applicable provisions, if any, and subject to the approval of the Hon'ble National Company Law Tribunal and other Appropriate Authority, if any, consent of the Meeting be and is hereby accorded for the proposed Amalgamation of Rudra Ecovation Limited (the*

*Transferor Company) with Shiva Texfabs Limited (the Transferee Company) on going-concern basis; and various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation.*

***Resolved further that** the Report on Valuation of Shares & Share Exchange Ratio issued by Mr Subodh Kumar, Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/05/2019/11705; and Fairness Opinion Report on the Report on Valuation of Shares & Share Exchange Ratio issued by 3Dimension Capital Services Limited, a SEBI Registered Category 1 Merchant Banker, placed before the meeting, be and are hereby received, considered and taken on record.*

***Resolved further that** the Share Exchange Ratio as recommended by the IBBI Registered Valuer for the proposed Scheme of Amalgamation, being fair and reasonable to the Shareholders and other stakeholders of both the Companies, be and is hereby considered, accepted and approved.*

***Resolved further that** the salient features/terms and conditions of the proposed Scheme of Amalgamation which, inter-alia, include the following:*

***1.1*** *All assets and liabilities including Income Tax and all other statutory liabilities, if any, of the Transferor Company will be transferred to and vest in the Transferee Company as a going concern.*

***1.2*** *All the employees of the Transferor Company in service on the Effective Date, shall become employees of the Transferee Company on such date without any break or interruption in their service and upon terms and conditions not less favorable than those applicable to them in the Transferor Company on the Effective Date.*

***1.3*** *Consideration for Amalgamation will be as follows:*

*1.3.1 The Transferee Company-Shiva Texfabs Limited will issue 0.213 (zero point two one three) Equity Share of ₹10 each, credited as fully paid-up, to the Equity Shareholders of the Transferor Company for every 1 (one) Equity Share of ₹1 each held in the Transferor Company-Rudra Ecovation Limited.*

*1.3.2 Fractional entitlements, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Transferee Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Transferee Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Transferee Company has compensated the eligible shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.*

*1.3.3 Convertible Warrants: The Transferor Company has issued Convertible Warrants exercisable into equal number of Equity Shares of the Transferor Company. Upon the Scheme finally coming into effect, these Convertible Warrants will be treated in the following manner:*

*i. Convertible Warrants which are already converted into Equity Shares of the Transferor Company on or before the Record Date of the present Scheme: The Transferee Company will issue its Equity Shares in lieu of the Equity Shares issued in the Transferor Company on conversion of Convertible Warrants in the ratio of 0.213:1, as mentioned in Clause 11.1 of the Scheme.*

*ii. Convertible Warrants which are outstanding in the Transferor Company as on the Record Date of the present Scheme: The Transferee Company will issue 0.213 (zero point two one three) Convertible Warrant to the Warrant Holders of the Transferor Company for every 1 (one) Convertible Warrant held in the Transferor Company. Subsequently, all such convertible warrants, issued in the Transferee Company in the aforesaid manner, shall be eligible to get 1 (one) Equity Share in the Transferee Company for every 1 (one) Convertible warrant.*

*1.3.4 Any fraction of warrant arising out of the aforesaid exchange process, if any, will be rounded off to nearest whole number.*

*1.3.5 Preference Shares: Entire issued and paid-up Preference Share Capital of the Transferor Company is held by the Transferee Company only. Upon the Scheme finally coming into effect, entire issued and paid-up Preference Share Capital of the Transferor Company will be cancelled as crossholding. Hence, no new share will be issued in lieu of the Preference Shares.*

***1.4*** *Appointed Date for the Scheme will be 1st April, 2025, or such other date as may be mutually decided by the Board of Directors of the Transferor Company and the Transferee Company with the approval of the Hon'ble National Company Law Tribunal, or such other date as the Hon'ble National Company Law Tribunal, or any other Appropriate Authority may approve.*

***1.5*** *BSE Limited will act as the Designated Stock Exchange for the purposes of the Scheme of Amalgamation.*

*be and are hereby approved in specific.*

***Resolved further that*** *subject to the approval of the approval of the Hon'ble National Company Law Tribunal and other Appropriate Authority, if any, the Scheme of Amalgamation of Rudra Ecovation Limited with Shiva Texfabs Limited, and their respective Shareholders and Creditors, as placed before the meeting, be and is hereby approved.*

***Resolved further that*** *the Board of Directors of the Company be and is hereby authorized to take necessary steps to obtain necessary*

*approval(s) for the aforesaid Scheme and for effective implementation of the same, including but not limited to, to agree to such conditions or modifications [including the appointed date(s) and share exchange ratio, etc.,] that may be imposed, required or suggested by the Hon'ble National Company Law Tribunal, Chandigarh Bench-I, Chandigarh, or any other authorities or that may otherwise be deemed fit or proper by the Board and to do all other acts, deeds or things which may be ancillary or incidental to the above mentioned matter or which may otherwise be required for the aforesaid Scheme."*

**Take Further Notice** that in pursuance of the said order, a meeting of **Secured Creditors of Shiva Texfabs Limited is scheduled to be held on Saturday, 21st February, 2026 at 2:30 P.M., through Video Conferencing,** when you are requested to attend.

**Facility of remote e-voting will be available during the prescribed period before the meeting. Accordingly, Secured Creditors can vote through remote electronic means (without attending the meeting), instead of voting in the meeting.**

Mr Ashwani Sharma, Advocate, has been appointed as the Chairperson and Mr Mohit Chawla, Chartered Accountant has been appointed as the Scrutinizer for the aforesaid meeting.

A copy each of the Explanatory Statement [under Sections 230 & 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any], the proposed Scheme of Amalgamation and other documents, if any, are enclosed.

The proposed Scheme of Amalgamation, if approved in the meeting(s), will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Chandigarh Bench-I, Chandigarh.

Dated this 13th day of January, 2026

Sd/-
**Ashwani Sharma, Advocate**
Chairperson of the meeting

Through

Sd/-
Kartikeya Goel, Advocate
**For Rajeev Goel & Associates**
Counsel for the Applicants
785, Pocket-E, Mayur Vihar-II
Delhi-Meerut Expressway/NH-9
Delhi 110 091
e-mail: info@rgalegal.in
Website: www.rgalegal.in

**Notes:**

1. The present meeting is proposed to be convened through Video Conferencing in terms of the Order passed by the Hon'ble National Company Law Tribunal, the Guidelines issued by the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 2013, if any. Facility of remote e-voting will be available during the prescribed period before the meeting; and through e-voting platform which will be available during the meeting.

2. Central Depository Services Limited (CDSL) is appointed to provide remote e-voting facility before the meeting and to provide e-voting platform during the meeting, in a secured manner. Whereas, Beetal Financial & Computer Services Pvt Ltd, a SEBI registered Registrar and Transfer Agent (RTA) is appointed to provide platform for convening the meeting through Video Conferencing; as well as to handle and supervise the entire process of holding the meeting through Video Conferencing, e-voting and processing of data relating to the meeting and voting, etc.

3. **Notice of the meeting will be sent to all the Secured Creditors of the Company through approved mode(s).**

4. **Secured Creditors who have not registered their e-mail id, can get the same registered by sending the request to the Company at csstl@shivagroup.info; or to the Legal Counsel to the Scheme at info@rgalegal.in.**

5. **In case of any difficulty in registering the e-mail id; e-voting or attending the meeting through Video Conferencing, etc., the following persons may be contacted:**

| | |
|---|---|
| **Mr Punit Mittal**<br>General Manager<br>Beetal Financial & Computer Services Pvt Ltd<br>[SEBI Registered Registrar and Share Transfer Agent (RTA)] | 011-29961281-82<br>98102 76579<br>beetalrta@gmail.com |
| **Ms Reema**<br>Company Secretary<br>Shiva Texfabs Limited | 6284301020<br>csstl@shivagroup.info |

6. Only Secured Creditors of the Company may attend the meeting of Secured Creditors through Video Conferencing and vote through e-voting system.

7. **Institutional/Corporate Secured Creditors (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation, etc., authorising its representative to attend the meeting and vote on its behalf. The said Resolution/Authorization may be sent to the Scrutinizer at: camohitchawla@gmail.com; with a copy to the Company Secretary of the Company at csstl@shivagroup.info**

8. **Please take note that since the meeting is proposed to be held through Video Conferencing, option of attending the meeting through proxy is not applicable/available.**

9. **Instructions for attending the meeting through Video Conferencing and voting through e-voting system are given at the end of this notice.**

10. Voting may be made through remote e-voting which will be available during the prescribed period before the meeting (as given below); and through e-voting platform which will be available during the meeting:

| | |
|---|---|
| **Commencement of remote e-voting** | Tuesday, 17th February, 2026 at 9:00 A.M. IST |
| **End of remote e-voting** | Friday, 20th February, 2026 at 5:00 P.M. IST |

11. All the Secured Creditors will be entitled to attend the meeting through Video Conferencing. However, the Secured Creditors who have already voted through the remote e-voting process before the meeting, will not be entitled to vote at the meeting.

12. Secured Creditors attending the meeting through video conferencing shall be counted for the purposes of reckoning the quorum.

Encl.: As above

## A. INSTRUCTIONS FOR REMOTE E-VOTING ARE AS UNDER:

The remote e-voting period begins **Tuesday, 17th February, 2026 at 9:00 A.M. IST and ends Friday, 20th February, 2026 at 5:00 P.M. IST.** The remote e-voting module shall be disabled by CDSL for voting thereafter. The Creditors, whose names appear in the creditors list as on (cut-off date) i.e., 31st March, 2025, may cast their vote electronically. The voting right of creditors shall be in proportion to their respective amount.

LOGIN METHOD FOR CREDITORS:

**1.** Visit the e-Voting website of CDSL. Open web browser by typing the following **URL: https:// www.evotingindia.com/** either on a Personal Computer or on a mobile.

**2.** Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' tab.

**3.** A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

**4.** Enter user ID as given in email.

**5.** Enter password as given in email.

**6.** Enter Captcha.

**7.** Now you will have to click on "Submit" button.

**8.** After successful login you will be able to see EVSN of Company.

**9.** Select EVSN of company to cast your vote.

**10.** Now you are ready for e-voting as the voting page will be opened.

**11.** On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting.

**12.** Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

**13.** 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.

**14.** Once you "CONFIRM" your vote on the resolution, you will not be allowed to vote, again.

**15.** You can also take out a print of the vote cast by you by clicking on "Click here to print" option on the voting page.

**16.** Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**B. INSTRUCTIONS FOR ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:**

**1.** The procedure for attending meeting & e-Voting on the day of the Meeting is same as the instructions mentioned above for e-voting.

**2.** 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.

**3.** Creditors who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the Meeting.

**4.** Creditors are encouraged to join the Meeting through Laptop/iPad for better experience.

**5.** Further Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

**6.** 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.

**7.** Creditors 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 **2 (two) days prior to meeting** mentioning their name, email id, mobile number at (company email id). The Creditors who do not wish to speak during the Meeting but have queries may send their queries in advance **2 (two) days prior to meeting** mentioning their name, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

**8.** Those Creditors who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**9.** Only those Creditors, who are present in the Meeting 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 Meeting.

**10.** If any Votes are cast by the Creditors through the e-voting available during the Meeting and if the same Creditors have not participated in the meeting through VC/OAVM facility, then the votes cast by such Creditors may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending Meeting & e-Voting, you may contact Mr Punit Mittal, General Manager, Beetal Financial & Computer Services Pvt Ltd at Mob: 98102 76579; Email: beetalrta@gmail.com.

**Note:** Creditors who would like to express their views/have questions may send their questions in advance mentioning their name, e-mail-id, mobile number **to the Company at csstl@shivagroup.info; or to the Legal Counsel to the Scheme at info@rgalegal.in.** The same will be replied by the Company suitably.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

CHANDIGARH BENCH-I, CHANDIGARH

(ORIGINAL JURISDICTION)

COMPANY APPLICATION NO. (CAA) 47/CHD/HRY OF 2025

IN THE MATTER OF THE COMPANIES ACT, 2013 (18 OF 2013)

SECTIONS 230 & 232

AND

IN THE MATTER OF SCHEME OF AMALGAMATION

AND

IN THE MATTER OF

RUDRA ECOVATION LIMITED

APPLICANT NO. 1/TRANSFEROR COMPANY

AND

SHIVA TEXFABS LIMITED

APPLICANT NO. 2/TRANSFEREE COMPANY

**Explanatory Statement**

[Under Sections 230 & 232 and other relevant provisions of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any.]

**1.** A joint Company Application being CA (CAA) 47/Chd/Hry of 2025, was filed before the Hon'ble National Company Law Tribunal, Chandigarh Bench-I, Chandigarh (hereinafter referred to as "the Tribunal/NCLT") under the provisions of Sections 230 & 232 and other relevant provisions of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, in connection with the proposed Scheme of Amalgamation of Rudra Ecovation Limited with Shiva Texfabs Limited (hereinafter referred to as "the Scheme of Amalgamation" or "this Scheme or "the Scheme") and other connected matters, if any.

**2.** The proposed Scheme of Amalgamation provides the following:

**i.** Amalgamation of Rudra Ecovation Limited with and into Shiva Texfabs Limited, ongoing-concern basis.

**ii.** Various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation.

A copy of the Scheme of Amalgamation setting out the terms and conditions of the proposed Amalgamation and other matters connected, is enclosed with this Explanatory Statement.

**3.** Pursuant to the Order dated 6th November, 2025 (date of pronouncement), passed by the Hon'ble Tribunal, in the above referred joint Company Application, separate meetings of Equity Shareholders and Unsecured Creditors of the Transferor Company and the Transferee Company; and Secured Creditors of the Transferee Company are scheduled to be convened and held as per the following schedule, for the purpose of considering and, if thought fit, approving, the proposed Scheme of Amalgamation, at which time the said stakeholders are requested to attend:

**Schedule of the Meeting through VC**

| | |
|---|---|
| **Day** | Saturday |
| **Date** | 21st February, 2026 |
| **Mode** | Through Video Conferencing |
| **Venue** | Since the meetings are proposed to be held through Video Conferencing, physical venue of the meetings is not relevant/applicable |

| **Sl. No.** | **Meeting of** | **Time** |
|---|---|---|
| **1.** | Equity Shareholders of the Transferor Company-Rudra Ecovation Limited | 11:00 A.M. |
| **2.** | Equity Shareholders of the Transferee Company-Shiva Texfabs Limited | 12:30 P.M. |
| **3.** | Secured Creditors of the Transferee Company-Shiva Texfabs Limited | 2:30 P.M. |
| **4.** | Unsecured Creditors of the Transferor Company-Rudra Ecovation Limited | 3:30 P.M. |
| **5.** | Unsecured Creditors of the Transferee Company-Shiva Texfabs Limited | 4:30 P.M. |

**Voting** may be made through remote e-voting which will be available during the prescribed period before the meetings (as given below); and through e-voting platform which will be available during the meetings:

| | |
|---|---|
| **Commencement of remote e-voting** | Tuesday, 17th February, 2026 at 9:00 A.M. IST |
| **End of remote e-voting** | Friday, 20th February, 2026 at 5:00 P.M. IST |

## 4. Companies to the Scheme and their Background

### 4.1 Transferor Company-Rudra Ecovation Limited:

**i.** The Transferor Company-Rudra Ecovation Limited [Corporate Identity No. (CIN): L43292HP1980PLC031020; Income Tax Permanent Account No. (PAN): AAACH0871P] (hereinafter referred to as "the Transferor Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Himachal Fibres Private Limited' vide Certificate of Incorporation dated 20th February, 1980 issued by the Registrar

of Companies, NCT of Delhi & Haryana, New Delhi. The Company was converted into a public limited company and name of the Company was changed to 'Himachal Fibres Limited' vide Fresh Certificate of Incorporation dated 7th August, 1981 issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. The Registered Office of the Company was shifted from the NCT of Delhi to the State of Himachal Pradesh as approved by the Hon'ble Company Law Board, Principal Bench, New Delhi, vide Order dated 13th October, 2008. The Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh, registered the aforesaid order and allotted a new CIN to the Company. The Name of the Company was changed to its present name 'Rudra Ecovation Limited' vide Fresh Certificate of Incorporation dated 13th February, 2024, issued by the Registrar of Companies, Himachal Pradesh, Chandigarh

**ii.** Presently, the Registered Office of the Transferor Company is situated at Plot No. 43-44, Industrial Area, Barotiwala-174 103, Himachal Pradesh; e-mail: hfl.corporate@gmail.com, website: www.rudraecovation.com.

**iii.** The detailed objects of the Transferor Company are set out in the Memorandum of Association and are, inter-alia, briefly stated as below:

***Main Objects:***

1. *To carry on the business of manufacturers, producers, processors, bleachers, dyers ginners, spinners, weavers, importers, exporters, buyers, sellers of and dealers in: kinds of yarns and fibres, whether synthetic, artificial or natural, cotton, nylon, polyester, acrylics, rayon silk, artificial silk, linen, terene, terylene, wool, jute and any other fibers or fibrous materials, allied products, by products and substitutes for all or any of them, Wool Combers Worsted spinners, Woollen spinners and to treat and utilise and waste arising from any such manufacture, production or process.*

2. *To carry on the business of manufacturers, producers, processors, importers, exporters, buyers, sellers of and dealers in all kinds of fabrics and textiles, threads, tapes, ropes, cords, twines, and other products, as are prepared or manufactured from nylon, polyster acrylics, rayon, silk, artificial silk, linen, cotton, wool, jute and any other synthetic, artificial and natural fibres, including fibre glass.*

3. *To carry on the business of manufacturers, producers, processors, importers, exporters, buyers, sellers and dealers in and as brokers, agents, stockists, distributors and suppliers of all kinds of readymade garments and other products, goods, articles and things including surgical cotton, surgical bandages, lints, gauze, sanitary goods, and other similar good necessary for medical aid, hospital needs, as are made from or with cotton, nylon, silk, polyester, acrylics, jute, wool and other kinds of*

*fibres, by whatever name called or made under any process, whether natural or artificial, and by mechanical or other means.*

4. *To buy, sell, exchange, barter, ship, import, export, make advances upon and otherwise deal in whether as principals, agents, stockists, distributors, brokers, wholesale and retail dealers or otherwise either for ready or forward transactions:*

    i. *In jute, jute cutting, jute rejections, mesta, hemp, flax, hessian, gunny bags, sacks, carpet, backing, yarn, twine, ropes, webbing and all kinds of jute goods.*

    ii. *In cotton, kappas, wool, silk, art silk, artificial and synthetic filaments, rayon, linen, tents, durries, newar, parachutes, carpets, rugs, terelyne, nylon and other fibrous substances as well as in yarn, linen, namadas, worsted stuff manufacturers, cloth and other goods, fabrics and manufacturers including waste, residual and bye products thereof whether textile, felted, netted or looped.*

5. *To carry on the business in India or outside India of collection, segregation, cleaning, washing, transportation, processing, composting, recycling, upcycling, treatment, disposal, buying, selling, trading of all types of plastic waste and non-plastic waste (like electronics waste, etc.) for the purpose of recovering and reusing the same for different purposes including but not limited to manufacturing or production of different types of consumer, industrial or commercial products having application in any industry or segment.*

6. *To carry on the business in India or outside India of manufacturing, producing, processing, importing, exporting, buying, selling, marketing, dealing and trading of various products including but not limited to fibres, yarns, fabrics, acoustic panels, industrial fabrics, non-woven fabric or products, woven fabric or products, polyester fabrics, packaging materials, PET bottles, tapes, ropes, cords, bags, and any other products, made from recycling or upcycling of all types of plastic waste and non-plastic waste (like electronics waste, etc.).*

7. *To engage in the business in India or outside India of manufacturing, producing, processing, importing, exporting, buying, selling, marketing, dealing and trading of chips, pellets, new bottles, packaging material, and any other product made from recycling or upcycling of all types of plastic waste and non-plastic waste (like electronics waste, etc.).*

8. *To engage in the business in India or outside India of manufacturing, producing, processing, dealing, importing, exporting, purchasing, selling, distributing,*

*and marketing of all types of geotextile products, including but not limited to woven, non-woven, and knitted geotextile products, from recycling or upcycling of all types of plastic waste and non-plastic waste (like electronics waste, etc.).*

9. *To explore, conduct, undertake, and invest in the research, development, and innovation of new and improved methods for recycling or upcycling of all types of waste materials and manufacturing or producing environmentally friendly or sustainable products.*

10. *To establish and operate waste collection centers, eco parks, manufacturing facilities, workshops, distribution centers for collection, recycling, upcycling, waste management of all types of plastic and non-plastics waste and production or manufacturing or processing and sale of all types of recycled and/or sustainable products.*

11. *To carry on the business of manufacturing, producing, buying, selling, importing, exporting, trading, marketing, distributing, setting up, engineering, provision, construction of all types of waste water treatment or effluent treatment plants, machines, parts, spares, stores, or any other product or solutions or services relating to waste water treatment or effluent treatment in any manner.*

12. *To provide consulting, advisory, guidance or any other service relating to management of all types of plastic or non-plastic wastes, environment preservation or conservation, sustainability, carbon emission, wastewater treatment, effluent treatment, carbon credits, plastic credits, Extended Producers' Responsibility credits or any other similar credits or benefits.*

13. *To avail, claim, buy, sell, distribute, trade, utilize, transfer all types of carbon credits, plastic credits, Extended Producers' Responsibility credits, or any other similar credits or benefits available.*

14. *To invest in, acquire, merge with, or enter into joint ventures with other companies or entities engaged into activities related to recycling or upcycling of waste, waste management or manufacturing or production of products from recycling or upcycling of all types of waste material, waste water or effluent treatment, carbon credits, plastic credits, Extended Producers' Responsibility credits or any other company or entity having similar objects.*

15. *To carry on any activity which is ancillary or incidental for the attainment of above objects.*

**iv.** The Transferor Company is engaged in manufacturing of synthetic yarn and other related activities at its manufacturing unit located in Barotiwala in the State of Himachal Pradesh.

**v.** The Present Capital Structure of the Transferor Company is given below:

| Particulars | Amount (INR) |
|---|---|
| **Authorised Capital** | |
| 17,50,00,000 Equity Shares of ₹1 each | 17,50,00,000 |
| 1,65,000 (16.5%) Cumulative Redeemable Preference Shares of ₹100 each | 1,65,00,000 |
| 14,35,000 (4%) Non-cumulative Redeemable Preference Shares of ₹100 each | 14,35,00,000 |
| **Total** | **33,50,00,000** |
| **Issued, Subscribed and Paid-up Capital** | |
| 11,93,28,000 Equity Shares of ₹1 each fully paid-up | 11,93,28,000 |
| 12,00,000 (4%) Non-cumulative Redeemable Preference Shares of ₹100 each | 12,00,00,000 |
| **Total** | **23,93,28,000** |

**vi.** The Transferor Company had also issued Convertible Warrants. However, since the Warrant Holders did not exercise the option to convert the said Warrants into Equity Shares, within 18 months from the date of allotment, i.e. on or before 10th January, 2026, the amount received on the Convertible Warrants was forfeited in terms of the provisions of Regulation 169(3) of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Consequently, as on date of this Statement, there are no Warrants outstanding in the Transferor Company.

**vii.** Detail of the present Board of Directors of the Transferor Company is given below:

| Sl. No. | Name and Address | DIN | Designation |
|---|---|---|---|
| **1.** | **Akhil Malhotra** 5-D, Club Enclave, Barewal, Ludhiana-141 001, Punjab | 00126240 | Director |
| **2.** | **Akhilesh Kumar Tiwari** House No. 415/7, Near Central Park, Hari Har Nath Shastri Nagar, Kanpur-208 001, Uttar Pradesh | 11086015 | Director |
| **3.** | **Gian Chand Thakur** Village Baddi Lanj, Post Office Urtoo, Tehsil Nirmand, Kullu-172 023, Himachal Pradesh | 07006447 | Whole-time Director |
| **4.** | **Bhim Sain Goyal** 109-B, Pocket-F, Mayur Vihar Phase-2, Delhi-110 091 | 02139510 | Independent Director |

| | | | |
|---|---|---|---|
| **5.** | **Kajal Rai**<br>Flat No. 5 FF, Pakhowal Road, Prem Vihar, S.B.S Nagar, Basant Avenue, Ludhiana-141 013, Punjab | 07366983 | Independent Director |
| **6.** | **Dharam Veer Singh**<br>306, 2, G.T.B. Nagar, Mundian Kalan, Ludhiana-141 015, Punjab | 11060607 | Independent Director |

**4.2 Transferee Company-Shiva Texfabs Limited:**

**i.** The Transferee Company-Shiva Texfabs Limited [Corporate Identity No. (CIN): U18101PB1993PLC013745; Income Tax Permanent Account No. (PAN): AACCS0279A] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Shiva Fabricators Private Limited' vide Certificate of Incorporation dated 23rd September, 1993 issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh. The Company was converted into a public limited company as well its Name was changed to its present name 'Shiva Texfabs Limited' vide Fresh Certificate of Incorporation dated 14th March, 2005 issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.

**ii.** Presently, the Registered Office of the Transferee Company is situated at 4th Floor, Wood Stock Tower, B-35/958, Adarsh Nagar, Ferozepur Road, Ludhiana-141 001, Punjab; e-mail: csstl@shivagroup.info, website: www.shivagroup.info.

**iii.** The detailed objects of the Transferee Company are set out in the Memorandum of Association and are briefly stated as below:

***Main Objects:***

1. *To invent develop, design, manufacture, fabricate, process, assemble, import and export cause to be designed, processed, assembled and manufactured all type of textile machinery, equipment, appliances, instruments, tools, things, required for the various processes of textile manufacturing viz. cleanage scouring of fibres blending carding, spinning, dyeing and fabric manufacture by whatever methods.*

2. *To carry on the business as manufactures, spinners weavers, knitters, stitching, dyeing of cloths, combers, producers, processors, fabricators, importers, dealers in all kinds of yarn, fabrics, worsted, shoddy, cotton, synthetic, woolen, silk, jute, rayon, articles silk, nylon, polyester acrylic or any other synthetic fibre of yarn, allied products by products and to treat and utilize waster arising from any such manufacture production and process and further to carry on or be in interested in the business of ginning, processing, balling, of cotton, cotton waste, liner cotton, yarn waste, hemp jute and the cultivation thereof.*

3. *To carry on the business of all kinds of farming, horticulture, sericulture, dairy, gardening of raising breeding, improving, developing, buying, selling, producing, preserving and dealing in all kinds of product of such business and to cultivate, grow, produce or deal in any agriculture, vegetable or fruit products, food items and by products thereof and to carry on the business as manufacture, producers, processors, importers, exporters, traders, buyers, sellers, retailers, whole seller, suppliers, or fruit products, food items and by products thereof and to carry on all or any of the business of fruits, vegetables, cash crops and provision of all kinds.*

**iv.** The Transferee Company is engaged in manufacturing of polyester staple fiber, synthetic yarn, knitted fabric, non-woven fabric and carpets etc., from the recycled material of pet waste, at the manufacturing units located in Machhiwara, Punjab.

**v.** The present Capital Structure of the Transferee Company is given below:

| **Particulars** | **Amount (INR)** |
|---|---|
| **Authorised Capital** | |
| 3,55,00,000 Equity Shares of ₹10 each | 35,50,00,000 |
| **Total** | **35,50,00,000** |
| **Issued, Subscribed and Paid-up Capital** | |
| 3,04,52,934 Equity Shares of ₹10 each fully paid-up | 30,45,29,340 |
| 47,01,755 Equity Shares of ₹10 each partly paid-up ₹4.60 per share | 2,16,28,073 |
| **Total** | **32,61,57,413** |

**vi.** Detail of the present Board of Directors of the Transferee Company is given below:

| **Sl. No** | **Name, DIN and Address** | **DIN** | **Designation** |
|---|---|---|---|
| **1.** | **Akhil Malhotra**<br>5-D, Club Enclave, Barewal, Ludhiana-141 001, Punjab | 00126240 | Director |
| **2.** | **Upendra Lal**<br>Unit-2, Bhattian, Ludhiana, Tekhran-141 115, Punjab | 07806152 | Director |
| **3.** | **Jaiswaroop Sharma**<br>4110, Near Durga Shakti Mandir, Machhiwara, Ludhiana-141 115, Punjab | 08915607 | Whole-time Director |
| **4.** | **Dharam Veer Singh**<br>306, 2, G.T.B. Nagar, Mundian Kalan, Ludhiana-141 015, Punjab | 11060607 | Independent Director |
| **5.** | **Kajal Rai**<br>Flat No. 5 FF, Pakhowal Road, Prem Vihar, S.B.S Nagar, | 07366983 | Independent Director |

| | | | |
|---|---|---|---|
| | Basant Avenue, Ludhiana-141 013, Punjab | | |

5. **Detail of the Promoters:** the Transferor Company is a public limited company listed on BSE. Whereas the Transferee Company is a closely held un-listed public limited company. Both the Companies in the Scheme are Group Companies under common management and control. Details of promoters of the Transferor Company and the Transferee Company are as follows:

**A.** Present Promotors of the Transferor Company:

| Sl. No. | Name and address |
|---|---|
| **1.** | Akhil Malhotra<br>House No 5-D, Club Enclave, Near Magnet Resort, Barewal, Ludhiana-141 001, Punjab |
| **2.** | Mayank Malhotra<br>House No 5-D, Club Enclave, Near Magnet Resort, Barewal, Ludhiana-141 001, Punjab |
| **3.** | Simmi Malhotra<br>House No 5-D, Club Enclave, Near Magnet Resort, Barewal, Ludhiana-141 001, Punjab |
| **4.** | Brijeshwari Textiles Private Limited<br>B-18, 121/A, City Tower, Model Town Upper Ground Floor, Ludhiana-141 002, Punjab |
| **5.** | Shiva Spinfab Private Limited<br>B-18, 121/A, City Tower, Model Town Upper Ground Floor, Ludhiana-141 002, Punjab |
| **6.** | Balmukhi Textiles Private Limited<br>B-18, 121/A, City Tower, Model Town Upper Ground Floor, Ludhiana-141 002, Punjab |

**B.** Present Promotors of the Transferee Company:

| Sl. No. | Name and address |
|---|---|
| **1.** | Akhil Malhotra<br>House No 5-D, Club Enclave, Near Magnet Resort, Barewal, Ludhiana-141 001, Punjab |
| **2.** | Mayank Malhotra<br>House No 5-D, Club Enclave, Near Magnet Resort, Barewal, Ludhiana-141 001, Punjab |
| **3.** | Simmi Malhotra<br>House No 5-D, Club Enclave, Near Magnet Resort, Barewal, Ludhiana-141 001, Punjab |
| **4.** | Shiva Spinfab Private Limited<br>B-18, 121/A, City Tower, Model Town Upper Ground Floor, Ludhiana-141 002, Punjab |
| **5.** | Rudra Ecospin Recyclers Limited<br>4th Floor, Woodstock Tower, B-35/958, Adarsh Nagar Ferozepur Road, Opposite Waves Mall, Ludhiana, Punjab |
| **6.** | Shiva Texchem (Gujarat) Private Limited<br>4th Floor, Woodstock Tower, B-35/958, Adarsh Nagar Ferozepur Road, Opposite Waves Mall, Ludhiana, Punjab |
| **7.** | Yogindera Worsted Limited<br>4th Floor, Woodstock Tower, B-35/958, Adarsh Nagar |

| | |
|---|---|
| | Ferozepur Road, Opposite Waves Mall, Ludhiana, Punjab |
| **8.** | Rudra Ecovation Limited<br>Plot No. 43-44, Industrial Area, Barotiwala-171 103, Himachal Pradesh |

**6. Rationale and Benefits of the Scheme:**

The circumstances which justify and/or necessitate the proposed Scheme of Amalgamation of Rudra Ecovation Limited with Shiva Texfabs Limited; and benefits of the proposed amalgamation as perceived by the Board of Directors of these Companies, to the Shareholders and other stakeholders are, inter alia, as follows:

i. **Complementary Operations:** The Transferor Company has expertise in spinning operations which complements the Transferee Company's capabilities in recycling and textile manufacturing. The Transferee Company is one of the largest vertically integrated plastic recyclers in Asia and produces PET chips, fibers, and textiles. The proposed Amalgamation will integrate the Transferor Company's spinning operations to streamline the supply chain.

ii. **Enhanced Market Leadership:** The proposed Amalgamation will **strengthen** the combined entity's position as a global leader in sustainable textiles, leveraging a fully integrated value chain.

iii. **Operational Synergies:** Integration of the Transferor and **Transferee** Companies will reduce raw material costs and will enhance manufacturing efficiencies. Consolidation of administrative functions and supply chains will improve profitability of the Combined entity.

iv. **Optimized Asset Utilization:** Physical and other infrastructure of **the** Transferor Company will be utilized more effectively to drive financial and operational gains.

v. **Economies of Scale:** The merged operations will reduce **redundancies**, improve resource utilization, and drive cost efficiencies. Scale advantages will enable better pricing and competitive market positioning.

vi. **Integrated Value Chain:** Shiva's raw materials directly feed Rudra's spinning processes, which supply yarn for Shiva's textile production. The fully integrated value chain reduces lead times, **improves** quality consistency, and minimizes waste.

vii. **Flexibility and Adaptability:** The merged entity will gain flexibility to respond to market demands and industry trends.

viii. **Regulatory Support:** Government policies encouraging **recycling** and sustainability create a favorable environment for expansion.

ix. **Aligned Global Sustainability Commitments:** The proposed Amalgamation aligns with the sustainability commitments of global brands which require increased recycled content in their products and packaging. Shiva's capacity to recycle 4 lakh kg of plastic bottles daily supports these objectives, giving the combined entity a competitive edge and ensuring steady growth opportunities.

x. **Environmental Impact:** Recycling reduces energy consumption by 60% and CO2 emissions by one-third compared to virgin **materials**. The merged entity's sustainable focus aligns with the environmental priorities of global clients.

xi. **Shareholder Benefits:** The improved financial profile enhances shareholder returns through better growth prospects.

The Scheme of Amalgamation is proposed for the aforesaid reasons. The Board of Directors and Management of the Transferor Company and the Transferee Company is of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.

**7. Salient features of the Scheme of Amalgamation:**

**7.1** All assets and liabilities including Income Tax and all other statutory liabilities, if any, of the Transferor Company will be transferred to and vest in the Transferee Company as a going concern.

**7.2** All the employees of the Transferor Company in service on the Effective Date, shall become employees of the Transferee Company on such date without any break or interruption in their service and upon terms and conditions not less favorable than those applicable to them in the Transferor Company on the Effective Date.

**7.3** Appointed Date for the Scheme will be 1st April, 2025, or such other date as may be mutually decided by the Board of Directors of the Transferor Company and the Transferee Company with the approval of the Hon'ble National Company Law Tribunal, or such other date as the Hon'ble National Company Law Tribunal, or any other Appropriate Authority may approve.

**7.4** BSE Limited will act as the Designated Stock Exchange for the purposes of the Scheme of Amalgamation.

**7.5** Consideration for Amalgamation will be mentioned below:

**7.5.1** **Equity Shares:** The Transferee Company-Shiva Texfabs Limited will issue 0.213 (zero point two one three) Equity Share of ₹10 each, credited as fully paid-up, to the Equity Shareholders of the Transferor Company for every 1 (one) Equity Share of ₹1 each held in the Transferor Company-Rudra Ecovation Limited.

Fractional entitlements, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Transferee Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Transferee Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Transferee Company has compensated the eligible

shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.

**7.5.2 Convertible Warrants:**

**i.** Convertible Warrants which are already converted into Equity Shares of the Transferor Company on or before the Record Date of the present Scheme:

The Transferee Company will issue its Equity Shares in lieu of the Equity Shares issued in the Transferor Company on conversion of Convertible Warrants in the ratio of 0.213:1, as mentioned in Clause 4.1 above.

**ii.** Convertible Warrants which are outstanding in the Transferor Company as on the Record Date of the present Scheme:

The Transferee Company will issue 0.213 (zero point two one three) Convertible Warrant to the Warrant Holders of the Transferor Company for every 1 (one) Convertible Warrant held in the Transferor Company. Subsequently, all such Convertible Warrants, issued in the Transferee Company in the aforesaid manner, shall be eligible to get 1 (one) Equity Share in the Transferee Company for every 1 (one) Convertible Warrant.

Any fraction of warrant arising out of the aforesaid exchange process, if any, will be rounded off to nearest whole number.

**7.5.3 Preference Shares:** Entire issued and paid-up Preference Share Capital of the Transferor Company is held by the Transferee Company itself. Upon the Scheme finally coming into effect, entire issued and paid-up Preference Share Capital of the Transferor Company will be cancelled as crossholding. Hence, no new share will be issued in lieu of the Preference Shares issued by the Transferor Company.

**8. Extracts of the Scheme:** Extracts of the selected clauses of the Scheme are reproduced below in italics *(points/clauses referred to in this part are of the Scheme of Amalgamation)*:

**1. DEFINITIONS, INTERPRETATION, SHARE CAPITAL AND RATIONALE OF THE SCHEME**

**1.1 DEFINITIONS**

In this Scheme and all other Scheme related documents, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as under:

**1.1.1 "Act or Companies Act, 2013"** means the Companies Act, 2013 (18 of 2013), and Rules, Notifications, Circulars, Clarifications made or issued thereunder [including but not limited to the Companies (Compromises, Arrangements and

Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016]; and includes any amendments, statutory re-enactments, and modifications thereof for the time being in force.

**1.1.2** **"Amalgamation"** means amalgamation of Rudra Ecovation Limited with and into Shiva Texfabs Limited in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other Appropriate Authority, as the case may be.

**1.1.3** **"Applicable Law(s)**" means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, competent authority, court, tribunal having jurisdiction over the Companies; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Companies to this Scheme and shall include, without limitation, the listing agreement executed with the Stock Exchange.

**1.1.4** **"Appointed Date"** for the purpose of this Scheme means commencement of business on 1st April, 2025, or such other date as may be mutually decided by the Board of Directors of the Transferor Company and the Transferee Company with the approval of the Hon'ble National Company Law Tribunal, or such other date as the Hon'ble National Company Law Tribunal, or any other Appropriate Authority may approve.

**1.1.5** **"Appropriate Authority"** means:

**i.** The Government of any jurisdiction (including any Central, State, Provincial, Municipal or Local Government or any political or administrative sub-division thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof.

**ii.** Any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) NCLT, SEBI and Stock Exchanges.

**iii.** Such other Sectoral Regulators or Authorities as may be applicable.

**1.1.6** **"Board" or "Board of Directors"** means the respective Board of Directors of the Transferor Company and the Transferee Company and will, unless it is repugnant to the context or otherwise, include committee(s) so authorised by

the Board of Directors, or any person authorised by the Board of Directors or such committee(s).

**1.1.7** "**Companies**" means the Transferor Company and the Transferee Company when referred collectively; and "Company" means each of these Companies, individually.

**1.1.8** **"Convertible Warrants"** means Convertible Warrants issued by the Transferor Company. Holders of such Convertible Warrants are entitled to get one fully paid Equity Share in the Transferor Company for every one Convertible Warrant, subject to payment of balance amount within stipulated period and other terms and conditions.

**1.1.9** **"Effective Date"** means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning this Scheme, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references in this Scheme to "upon this Scheme becoming effective" or "upon this Scheme coming into effect" or "effectiveness of this Scheme" will be a reference to the Effective Date.

It is, however, clarified that though this Scheme will become operative from the Effective Date, the provisions of this Scheme will be effective from the Appointed Date. In other words, the effective date is only a trigger point for implementation of the Scheme. As soon as the effective date is achieved, provisions of this Scheme will come into operation; and will be effective and applicable with effect from the Appointed Date in terms of the provisions of Section 232(6) of the Companies Act, 2013, and other applicable provisions, if any.

**1.1.10** **"Encumbrance"** means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (c) any adverse claim as to title, possession or use.

**1.1.11** **"FEMA"** means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and will include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

**1.1.12** **"Intellectual Property Rights"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Company, or in the nature of common law rights of the Transferor Company, as the case may be, all domestic and foreign (a) trademarks,

service marks, brand names, internet domain names, websites, online web Portals, trade names, logos, as well as copyright in all of the brands, logos and their variations, along with the global goodwill associated with the foregoing; uniforms, all applications and registration for the foregoing (b) all domestic and/or foreign Patents granted or applied for (c) confidential and proprietary information and trade secrets; (d) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (e) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (f) designs, drawings, sketches; (g) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (h) ideas and all other intellectual property or proprietary rights; and (i) all rights in all of the foregoing provided by Applicable Laws.

**1.1.13** **"IT Act"** means the Income Tax Act, 1961, and the rules made there under and will include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

**1.1.14** **"National Company Law Tribunal"** means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal is hereinafter referred to as "the Tribunal"/"NCLT".

**1.1.15** "**Permits**" means all consents, licenses, permits, permissions, authorisations, rights, clarifications, approvals, environmental approvals, customer approvals, no objection certificates (NOCs), clearances, confirmations, declarations, waivers, exemptions, registrations, enlistments, filings, whether governmental, statutory, regulatory, or otherwise under Applicable Law.

**1.1.16** **"Person"** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority.

**1.1.17** **"Portals"** means electronic portals and/or websites maintained by various Appropriate Authority, government departments, public sector undertakings, private sector undertakings, banks, financial institutions and other entities and Persons.

**1.1.18** **"Record Date"** means the date(s) to be fixed by the Board of Directors of the Transferor Company and/or the Transferee Company, to determine the eligibility of the Shareholders and Convertible Warrant Holders of the Transferor Company to issue shares and Convertible Warrants, as the case may be, in the Transferee Company pursuant to this Scheme.

**1.1.19** **"Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.

**1.1.20** **"Scheme"** means the present Scheme of Amalgamation framed under the provisions of Sections 230 & 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with Section 2(1B) of the Income Tax Act, 1961, and other applicable provisions, if any, which provides for Amalgamation of Rudra Ecovation Limited with Shiva Texfabs Limited on going-concern basis; and various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation, if any; in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of these Companies and/or by any Appropriate Authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.

**1.1.21** **"SEBI or Securities and Exchange Board of India"** means the Securities and Exchange Board of India established as a statutory body under the provisions of the Securities and Exchange Board of India Act, 1992.

**1.1.22** **"SEBI Listing Regulations"** means 'the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015' [SEBI LODR Regulations], read with Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, issued by the Securities and Exchange Board of India for compliance with the provisions of SEBI LODR Regulations by listed entities, as amended from time to time.

**1.1.23** **"SEBI Scheme Circular"** means Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, issued by the Securities and Exchange Board of India, on Scheme of Arrangement by Listed Entities and other related matters, as amended from time to time.

**1.1.24** **"Stock Exchange"** means the BSE Limited (Bombay Stock Exchange/BSE).

**1.1.25** "**Taxation**" or "**Tax**" or "**Taxes**" means all forms of taxes and statutory, governmental, state, provincial, international, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Company or the Transferee Company or any other Person and all penalties, charges, costs and interest relating thereto.

**1.1.26** **"Transferor Company"** means **Rudra Ecovation Limited** being a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 43-44, Industrial Area, Barotiwala-174 103, Himachal Pradesh; e-mail: hfl.corporate@gmail.com, website: www.rudraecovation.com.

Rudra Ecovation Limited [Corporate Identity No. (CIN): L43292HP1980PLC031020; Income Tax Permanent Account No. (PAN): AAACH0871P] (hereinafter referred to as "the Transferor Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Himachal Fibre Private Limited' vide Certificate of Incorporation dated 20th February, 1980 issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. The Company was converted into a public limited company and name of the Company was changed to 'Himachal Fibre Limited' vide Fresh Certificate of Incorporation dated 7th August, 1981 issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. Registered Office of the Company was shifted from the NCT of Delhi to the State of Himachal Pradesh as approved by the Hon'ble Company Law Board, New Delhi Bench, New Delhi, vide Order dated 13th October, 2008. The Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh, registered the aforesaid order and allotted a new CIN to the Company. Name of the Company was changed to its present name 'Rudra Ecovation Limited' vide Fresh Certificate of Incorporation dated 13th February, 2024, issued by the Registrar of Companies, Himachal Pradesh, Chandigarh.

**1.1.27** **"Transferee Company"** means **Shiva Texfabs Limited** being a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 4th Floor, Wood Stock Tower, B-35/958, Adarsh Nagar, Ferozepur Road, Ludhiana-141 001, Punjab; e-mail: csstl@shivagroup.info, website: www.shivagroup.info.
Shiva Texfabs Limited [Corporate Identity No. (CIN): U18101PB1993PLC013745; Income Tax Permanent Account No. (PAN): AACCS0279A] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Shiva Fabricators Private Limited' vide Certificate of Incorporation dated 23rd September, 1993 issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh. The Company was converted into a public limited company as well its Name was changed to its present name 'Shiva Texfabs Limited' vide Fresh Certificate of Incorporation dated 14th March, 2005 issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.

**1.1.28** **"Undertaking"** means all the undertaking(s) and entire business of the Transferor Company as a going concern as of the Appointed Date, including all the assets, properties,

investments, rights, approvals, licenses and powers, leasehold rights and all the debts, outstandings, liabilities, duties, other obligations and employees including, but not in any way limited to, the following:

**a.** All the assets and properties (whether movable or immovable, tangible or intangible (including but not limited to rights, titles, interest, goodwill, etc.), real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature), whether or not recorded in the books of accounts of the Transferor Company (including, without limitation, the freehold and leasehold properties of the Transferor Company), investments of all kinds (i.e., shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), furniture, fixtures, machinery, dies and tools, jigs & Fixtures, tools under development / prototype lying at company premises or lying with any supplier/ sub-contractor/ customer, office equipment, computers, fixed assets, current assets (including, without limitation, all inventories, stock-in-trade lying at Transferor Company's premises/ warehouses or at any supplier/ sub-contractor/customer or stock-in-transit, tools, plants, merchandise (including, raw materials, supplies, finished goods, and wrapping, supply, advertisement, promotional and packaging material), supplies, finished goods, packaging items, wherever located), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, any benefit granted under any scheme announced by any customer, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad.

**b.** All permits, licenses, permissions, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every

kind and description of whatsoever nature and the benefits thereto.

**c.** All contracts, agreements, customer orders, purchase orders/service orders, orders in hand, tenders, tenders in

**d.** process, maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, joint notes, bids, tenders, expressions of interest, letters of intent, supply contracts, hire and purchase arrangements, lease/ license agreements, Leave & License agreement, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with suppliers/manufacture of goods/service providers, providers, other arrangements, undertakings, deeds, bonds, schemes, insurance policies, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder.

**e.** All applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, brands, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), industrial designs, product registrations, trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature.

**f.** All rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company.

**g.** All the credits for taxes such as income tax, wealth tax, central sales tax, service tax, applicable state value added tax, goods and service tax, customs duty, duty draw back or any other export benefits including but not limited to the right to claim credit for indirect taxes such as CENVAT credit, VAT credit, GST credit, or any other input tax credit, advance tax, withholding tax/ TDS, TCS,

taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account and tax refunds of the Transferor Company.

**h.** All books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, technical specifications, drawings, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, User Manuals, Product Manuals, Maintenance and Operational Manuals, Spare Parts Catalogues, Product Approval, Vendor Approvals, quotations, sales and

advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form.

**i.** All debts whether secured or unsecured, liabilities including contingent liabilities, guarantees, duties, taxes and obligations of the Transferor Company of whatsoever kind, nature and description and howsoever arising, raised, incurred or utilized.

**j.** All staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company, with regard to their employees, with respect to the payment of gratuity, provident fund or other compensation or benefits, if any, as on the Effective Date.

**k.** All legal proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature involving the Transferor Company.

**l.** All the goodwill, past work experience, past track record, pre-qualifications and business credentials, accumulated experience or performance qualifications including financial, technical, manufacturing and other qualifications, past experience and credentials, business track record, work experience, etc., of the Transferor Company.

## 2. TRANSFER AND VESTING OF UNDERTAKING(S)

**2.1** Upon the Scheme becoming effective and with effect from the commencement of business on the Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 & 232 of the Act, and other applicable provisions, if any, the whole of the Undertaking of the Transferor Company shall stand transferred to the Transferee Company on a going concern basis and all assets, liabilities, contracts, arrangements, employees, Permits, licenses, registrations, enlistment, records, no objection certificates, approvals, credentials, litigations, etc., of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licenses, registrations, enlistment, records, approvals, etc., of the Transferee Company by virtue of, and in the manner provided in this Scheme.

**2.2** Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:

2.2.1 All assets of the Transferor Company that are movable in nature and/or otherwise capable of transfer by physical or constructive delivery, novation and/or by endorsement and delivery or by operation of law shall be vested in and/or deemed to be vested in the Transferee Company from the Appointed Date. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognised as that of the Transferee Company, absolutely and forever, from the Appointed Date.

2.2.2 In respect of such of the assets of the Transferor Company other than those referred to in Clause '2.2.1' above, including investment in shares or any other securities, actionable claims, outstanding loans and advances, earnest monies, receivables, bills, credits, if any, recoverable in cash or in kind or for value to be received all kind of banking accounts including but not limited to current and saving accounts, term deposits, deposits, if any, with Appropriate Authority and other authorities and bodies, shall, without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as on the Appointed Date. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard. The Transferee Company (without it being obliged to do so), if it deems appropriate, may give notice in such form as it deems fit and proper, to each such debtor or obligor or any other Person, that pursuant to the sanction of the Scheme, such investment, debt, loan, advance, claim, bank balance, deposit or other asset be aid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company,

to recover or realize all such debts (including the debts payable by such debtor or obligor or any other Person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other Persons to record such change.

2.2.3 With effect from the Appointed Date, all immovable properties of the Transferor Company, including land together with the heavy equipment, plant & machinery, buildings and structures standing thereon or embedded to the land and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights, security deposits and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Transferee Company on the same terms and conditions, by operation of Law pursuant to the sanctioning of the Scheme. Such assets shall stand vested in the Transferee Company and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of Law. The Transferee Company shall upon the NCLT Order sanctioning the Scheme and upon the Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties including refund of any security deposits and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold properties shall without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

2.2.4 With effect from the Appointed Date, all assets, brands, trademarks, patents, rights, title, interests and investments of the Transferor Company shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company.

2.2.5 With effect from the Appointed Date, all debts (secured and unsecured), liabilities, bonds, debentures (including contingent liabilities), duties and obligations of every kind, nature and description of the Transferor Company shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, the Transferee Company, so as

to become on and from the Appointed Date, the debts, liabilities, bonds, debentures (including contingent liabilities), duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company. Further, it shall not be necessary to obtain the Consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause. Necessary modification, as may be required would be carried out to the debt instrument issued by the Transferor Company, if any.

2.2.6 Upon this Scheme becoming effective, the secured creditors of the Transferor Company and/or other holders of Encumbrance over the properties of the Transferor Company shall be entitled to encumbrance only in respect of the properties, assets, rights, benefits and interest of the Transferor Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company and the secured creditors of the Transferee Company and/or other holders of encumbrance over the properties of the Transferee Company shall be entitled to encumbrance only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company.

with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company with the Transferee Company, (a) the secured creditors of the Transferor Company and/or other holders of encumbrance over the properties of the Transferor Company shall not be entitled to any additional encumbrance over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets which are not currently encumbered shall remain free and available for creation of any encumbrance thereon in future in relation to any current or future indebtedness of the Transferee Company; and (b) the secured creditors of the Transferee Company and/or other holders of encumbrance over the properties of the Transferee Company shall not be entitled to any additional encumbrance over the properties, assets, rights, benefits and interest of the Transferor Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any encumbrance thereon in future in relation to any current or future indebtedness of the Transferee Company.

2.2.7 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts, demat accounts, if any, of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in relation to the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

Further, the Transferee Company, if so required, shall also be entitled to maintain one Bank Account in the name of the Transferor Company to enable it to deposit/encash any payment or refund received in the name of the Transferor Company. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account(s) (in the name of the Transferor Company) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the Transferor Company. Such bank account will not be used for normal banking transactions.

2.2.8 With effect from the Effective Date, the security creation, borrowing and investment limits of the Transferee Company under the Act shall be increased to the extent of the security creation, borrowing and investment limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.

2.2.9 Any corporate approvals obtained by the Transferor Company, whether for the purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

2.2.10 All Governmental Approvals, Customer Approvals and other consents, permissions, quotas, rights, authorizations, entitlements, no objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled to use or which may be required to carry on the operations of the Transferor Company, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Appropriate Authority in favour of the Transferee Company. In so far as the various incentives, GST benefits /service tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions as are available to the Transferor Company.

2.2.11 With effect from the Appointed Date, all registrations, licenses, trademarks, brands, copyrights, domain names, patents, tradenames, industrial designs, product registrations and any other intellectual property pertaining to the Transferor Company, including any pending application for the aforesaid,

if any, shall stand vested in the Transferee Company without any further act, instrument or deed, upon the sanction of the Scheme.

2.2.12 Upon the Scheme becoming effective, all the goodwill, past experience, past track record and business credentials, etc., gained by the Transferor Company shall be transferred to and vest in the Transferee Company. Accordingly, for the purpose of entering into any contract, tenders, bid documents, expression of interest, memorandum of understanding, agreements or any other purpose, the experience, track record and credentials gained by the Transferor Company shall considered to be equivalent as the experience, track record and credentials of the Transferee Company.

2.2.13 All Taxes (including but not limited to advance tax, self-assessment tax, regular tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, value added tax, sales tax, service tax, goods and service tax etc.) paid or payable by or refunded or refundable to the Transferor Company with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims, etc. as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible such as under Section 40, 40A, 43B, etc., of the IT Act, exemptions, credits, holidays, remissions, reductions, service tax input credits, GST input credits, etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. This Clause to be read along with Clause 3 of this Scheme.

2.2.14 All the Customers of the Transferor Company, any Governmental Authority, Appropriate Authority or any other third party required to give effect to any provisions of this Scheme, shall take on record the NCLT Order sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Transferee Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective. For this purpose, the Transferee Company shall file certified copies of such NCLT Order and if required, file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental Approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, tenders, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on the business or in connection therewith), and certificates of every kind and description of whatsoever nature.

2.2.15 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that with effect from

the Appointed Date, all consents, permissions, certificates, clearances, authorities, power of attorneys given by, issued to or in favour of the Transferor Company shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.

2.2.16 The Transferee Company shall, at any time after coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Appropriate Authority, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

2.2.17 With effect from the Effective Date, all inter se contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company.

2.2.18 With effect from the Effective Date, there will be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Company and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date, there will be no accrual of interest or other charges in respect of any inter se loans, deposits or balances between the Transferor Company and the Transferee Company.

2.2.19 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant consents, approvals, patents, permissions, customer orders, tenders, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Board of Directors of the Transferor Company and the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any Appropriate Authority or third parties, if applicable and the same shall be considered as giving effect to the NCLT Order and shall be considered as an integral part of this Scheme. Further, the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any

Appropriate Authority or third parties, if applicable, on behalf of the Transferor Company and to carry out or perform all such formalities or compliance required for the purpose of implementation of the provisions of the Scheme.

2.2.20 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Transferor Company at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/ payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Transferee Company after the Effective Date.

2.2.21 All other assets & liabilities of the Transferor Company, which may not be specifically covered in the aforesaid Clauses, shall also stand transferred to the Transferee Company with effect from the Appointed Date.

## 9. STAFF, WORKMEN AND EMPLOYEES OF TRANSFEROR COMPANY

**9.1** On the Scheme becoming effective, all staff, workmen and employees, of the Transferor Company in service on the Effective Date, shall become and deemed to have become staff, workmen and employees of the Transferee Company on such date without any break or interruption in their service and on the basis of continuity of service, and upon terms and conditions not less favorable than those applicable to them in the Transferor Company on the Effective Date.

**9.2** On the Scheme becoming effective, Provident Fund, Gratuity Fund, trust, scheme or benefits created or existing for the benefit of the employees of the Transferor Company, if any, shall be continued on the same terms or conditions or be transferred to the existing provident fund, employee state insurance contribution, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose and the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such trusts, funds or schemes shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid trusts, funds, scheme or provisions.

## 11. CONSIDERATION FOR AMALGAMATION

**11.1** Equity Shares: Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot Equity Share(s) to the Equity Shareholders of the Transferor Company, whose names appear in the Register of Members/list of Beneficial Owners as received from the Depositories as on the Record Date, in the following ratio:

**i.** The Transferee Company-Shiva Texfabs Limited will issue 0.213 (zero point two one three) Equity Share of ₹10 each, credited as fully paid-up, to the Equity Shareholders of the Transferor Company for every 1 (one) Equity Share of ₹1 each held in the Transferor Company-Rudra Ecovation Limited.

**11.2** Fractional entitlements, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Transferee Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Transferee Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Transferee Company has compensated the eligible shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.

**11.3** Convertible Warrants: As mentioned in Clause 1.3 'ii' of this Scheme, the Transferor Company has issued Convertible Warrants exercisable into equal number of Equity Shares of the Transferor Company. Upon the Scheme finally coming into effect, these Convertible Warrants will be treated in the following manner:

**i.** Convertible Warrants which are already converted into Equity Shares of the Transferor Company on or before the Record Date of the present Scheme:

The Transferee Company will issue its Equity Shares in lieu of the Equity Shares issued in the Transferor Company on conversion of Convertible Warrants in the ratio of 0.213:1, as mentioned in Clause 11.1 above.

**ii.** Convertible Warrants which are outstanding in the Transferor Company as on the Record Date of the present Scheme:

The Transferee Company will issue 0.213 (zero point two one three) Convertible Warrant to the Warrant Holders of the Transferor Company for every 1 (one) Convertible Warrant held in the Transferor Company. Subsequently, all such convertible warrants, issued in the Transferee Company in the aforesaid manner, shall be eligible to get 1 (one) Equity Share in the Transferee Company for every 1 (one) Convertible warrant.

**11.4** Any fraction of warrant arising out of the aforesaid exchange process, if any, will be rounded off to nearest whole number.

**11.5** Preference Shares: Entire issued and paid-up Preference Share Capital of the Transferor Company is held by the Transferee Company only.

Upon the Scheme finally coming into effect, entire issued and paid-up Preference Share Capital of the Transferor Company will be cancelled as crossholding. Hence, no new share will be issued in lieu of the Preference Shares.

**11.6** New Equity Shares to be issued in terms of Clause 11.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. New Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.

**11.7** All the terms and conditions of new Convertible Warrants issued by the Transferee Company pursuant to this Scheme shall remain the same as in the Transferor Company. Accordingly, on amalgamation, the Convertible Warrant Holders will have the same rights and obligations as they had in the Transferor Company. It is, however, clarified that the balance amount payable on conversion of such Convertible Warrants into Equity Shares in the Transferee Company will remain the same on gross basis as would have been payable in the Transferor Company. Quantum of balance amount payable would not be impacted due the fact that lesser number of Convertible Warrants are issued by the Transferee Company pursuant to the Scheme. The lock-in period and the tenure of the Convertible Warrants to be issued by the Transferee Company shall continue in the Transferee Company, for the remaining period as per the original terms of issue in the Transferor Company.

Example:

| **Particulars** | **Value** |
|---|---|
| Number of Convertible Warrants held in the Transferor Company | 1,000 |
| Issue Price in the Transferor Company (INR per Convertible Warrant) | 48 |
| Upfront payment already made in the Transferor Company at the time of issuance of Convertible Warrants (@25% of Issue Price) (INR per Convertible Warrant) | 12 |
| Balance amount payable at the time of conversion into Equity Shares (INR per Convertible Warrant) | 36 |
| Total balance amount payable at the time of conversion into Equity Shares in the Transferor Company before the Scheme is effective | 36,000 |

In case, the conversion into Equity Shares is made after the Scheme is effective, the following scenario will emerge:

| | |
|---|---|
| Convertible Warrants to be issued in the Transferee Company pursuant to the Scheme | 213 |
| Total balance amount payable at the time of conversion into Equity Shares in the Transferee Company after the Scheme is effective | 36,000 |

**11.8** The issue and allotment of New Equity Shares and Convertible Warrants by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of fresh Equity Shares and Convertible Warrants in terms of this Scheme.

**11.9** In the event there being any pending share transfer(s), the Board of Directors of the Transferor Company or the Transferee Company or any committee thereof, will be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferor Company as if such changes in the registered holders were operative on the Record Date, in order to remove any difficulty arising on account of such transfer and in relation to shares to be issued to the shareholders of the Transferor Company pursuant to this Scheme.

**11.10** Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any shares of the Transferor Company, which are held in abeyance under the provisions of the Act or otherwise, will be held in abeyance by the Transferee Company.

**11.11** New Equity Shares to be issued by the Transferee Company to the shareholders of the Transferor Company in terms of this Scheme, will be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferor Company. All those equity shareholders who hold shares of the Transferor Company in physical form, shall receive New Shares in the Transferee Company in dematerialized form only, provided that the details of their account with the depository participant are intimated in writing to the Transferee Company and provided such intimation has been received by the Transferee Company at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Transferor Company in physical form at least 7 (seven) days before the Record Date, the Transferee Company shall keep such shares in abeyance/escrow account/suspense account/with a trustee nominated by the Board of the Transferee Company for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Transferee Company and/or its registrar, if permitted under Applicable Law.

**11.12** It is clarified that in the event of any change in the capital structure of the Transferor Company or the Transferee Company such as share split or consolidation of shares, issue of bonus shares, rights issue or other similar action; or any material accounting changes at any time before the Record Date; the Share Exchange Ratio as specified in Clause 11.1 and 11.3 of this Scheme, may be suitably adjusted for such changes, if and to the extent required, with mutual consents of the Board of Directors of the Transferor Company and Transferee Company. Any such adjustment in the Share Exchange Ratio will be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of the Transferor Company and the Transferee Company. It is clarified that the aforesaid stipulation will not apply on change in issued capital of the Transferor Company on conversion of Convertible Warrants into Equity Shares.

**11.13** It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Transferee Company will not apply to the share application money, if any, which may remain outstanding in the Transferor Company as on the Record Date.

## 12. UPON THIS SCHEME BECOMING EFFECTIVE

**12.1** Entire Issued Share Capital and share certificates of the Transferor Company will automatically stand cancelled. Shareholders of the Transferor Company will not be required to surrender the Share Certificates held in the Transferor Company.

**12.2** Cross holding of shares as on the Record Date between the Transferor Company and the Transferee Company, if any, will stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor Company and the Transferee Company, as the case may be, and sanction by the Tribunal under Sections 230 & 232 of the Companies Act, 2013, will be sufficient compliance with the provisions of Section 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any. However, such reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital.

**12.3** The authorised share capital of the Transferor Company will be added to and will form part of the authorised share capital of the Transferee Company. Accordingly, the authorised Equity Share Capital of the Transferee Company will stand increased to the extent of the aggregate authorised share capital of the Transferor Company as on the Effective Date. In terms of the provisions of Section 232(3)(i) of the Companies Act, 2013, and other applicable provisions, if any, the aggregate fees paid by the Transferor Company on the authorised capital will be set-off against the fees payable by the Transferee Company on the increase in the authorised share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee, if any, on the aforesaid increase in the authorised share

capital after deducting the aggregate fees paid by the Transferor Company on the pre-merger authorised share capital.

Clause V/Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company will stand modified to give effect to the aforesaid increase in the authorised share capital of the Transferee Company. Approval of the present Scheme of Amalgamation by the Shareholders of the Transferor/Transferee Companies will be sufficient for the aforesaid modification in Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company and no further approval will be required for the same.

**12.4** Save as provided in this Scheme, the Transferee Company will increase/modify its Authorized Share Capital to implement the terms of this Scheme, to the extent necessary. It is, however, clarified that approval of the present Scheme of Amalgamation by the Shareholders of the Transferee Company will be sufficient for such modification/ increase in the authorised share capital and no further approval from the Shareholders or any other person will be required for the same.

**12.5** Upon this Scheme becoming effective, name of the Transferee Company will be replaced with the name of the Transferor Company. Accordingly, on this Scheme coming into effect, name of the Transferee Company will be changed to 'Rudra Ecovation Limited'. The Transferee Company will comply with the applicable provisions of the Companies Act, 2013, and other applicable provisions, if any, in connection with the aforesaid change of name. Further, the Transferee Company will make necessary application(s) and file the requisite form(s) in this regard. The concerned Registrar of Companies and other Competent Authorities, if any, will give necessary approval for the aforesaid change of name.

**12.6** Upon this Scheme becoming effective, the Transferee Company and/or the Transferor Company will take necessary steps for the smooth and uninterrupted transition/transfer of undertaking and business of the Transferor Company on amalgamation. Without prejudice to the generality of the aforesaid, following are the salient features/chronology to be followed in this regard:

**i.** Upon the Scheme becoming effective, the Transferee Company will inform approval of this Scheme of Amalgamation by the Hon'ble NCLT to the customers of the Transferor Company, concerned Appropriate Authority, and other relevant third parties which will promptly give effect to the amalgamation in their records and will do the needful to give effect to this Scheme of Amalgamation.

**ii.** All the customers of the Transferor Company, all concerned Appropriate Authority and relevant third parties will take note of the same and will take all necessary steps to give effect to the Scheme of Amalgamation including but not limited to changing the name of the Transferor Company with the Transferee Company, details of the bank account(s) of the

Transferor Company will be replaced with that of the Transferee Company.

**iii.** It is clarified that no adverse action will be taken against the Transferee Company for any delay in action taken by the customers, concerned Appropriate Authority and relevant third parties in giving effect of the sanction of this Scheme.

**18. MODIFICATIONS/AMENDMENTS TO THE SCHEME**

**18.1** The Transferor Company and the Transferee Company, through their respective Board of Directors, may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Board of Directors of these Companies and resolve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

**18.2** For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferee Company may give and is authorized to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all the Companies and third parties, in the same manner as if the same were specifically incorporated in this Scheme.

**The aforesaid are the salient features/selected extracts of the Scheme of Amalgamation. Please read the entire text of the Scheme of Amalgamation to get acquainted with the complete provisions of the Scheme.**

**9.** The proposed Scheme of Amalgamation is for the benefit of the Companies, their Shareholders and other stakeholders. It is fair and reasonable and is not detrimental to the interest of the public. It is not prejudicial to any person.

**10.** Valuation exercise has also been carried out to determine the share swap ratio for the proposed Amalgamation. Mr. Subodh Kumar, Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/05/2019/11705, has prepared the Report on Valuation of Shares and Share Exchange Ratio.

Complete set of the Report on Valuation of Shares & Share Exchange Ratio issued by Mr. Subodh Kumar, the IBBI Registered Valuer in respect of Securities or Financial Assets, recommending Share Swap for the proposed Amalgamation, is enclosed herewith.

**11.** In terms of the provisions of the SEBI Regulations, Fairness Opinion Report was obtained from 3Dimension Capital Services Limited, SEBI Registered Category 1 Merchant Bankers, on the Share Valuation Report of Mr Subodh Kumar, and the proposed Share Exchange Ratio.

Opinion expressed by the aforesaid Merchant Banker is reproduced below:

*"Subject to the above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, we have reviewed the proposed Scheme of Arrangement for merger, the Valuation Report dated 18th December, 2024 of Mr. Subodh Kumar, Registered Valuer, with respect to the share exchange ratio aspects and consider it to be fair and reasonable from the point of view of equity shareholders of the Companies".*

A copy of the Fairness Opinion issued by 3Dimension Capital Services Limited is enclosed herewith.

**12.** The respective Audit Committee of the Transferor Company and the Transferee Company in their meetings held on 23rd December, 2024 reviewed the Share Valuation Report and proposed Share Exchange Ratio, Fairness Opinion, Rationale of the Scheme; and recommended the proposed Scheme of Amalgamation for favourable consideration by the respective Board of Directors of the Companies, the Stock Exchange(s), SEBI and other applicable regulatory authorities.

**13.** The respective Committee of Independent Directors of the Transferor Company and the Transferee Company in their meetings held on 23rd December, 2024, also reviewed and unanimously recommended the proposed Scheme of Amalgamation to the respective Board of Directors of the Companies, the Stock Exchange(s), SEBI and other applicable regulatory authorities for their approval.

**14.** The Report on Valuation of Shares & Share Exchange Ratio issued by Mr Subodh Kumar, Registered Valuer in respect of Securities or Financial Assets, and Fairness Opinion Report on the Report on Valuation of Shares & Share Exchange Ratio issued by 3Dimension Capital Services Limited, SEBI Registered Category 1 Merchant Bankers have been unanimously accepted by the respective Board of Directors of the Transferor Company and the Transferee Company. The Board of Directors of the Transferor Company and the Transferee Company, based on the Report on Valuation of Shares & Share Exchange Ratio and on the basis of their independent evaluation and judgment, concluded that the proposed exchange ratio is fair and reasonable to the Shareholders and other stakeholders of both the Companies.

The proposed Scheme of Amalgamation has been unanimously approved by the respective Board of Directors of the Transferor Company and the Transferee Company in their respective meetings held on 23rd December 2024. None of the Directors voted against or abstained from voting on the resolution for approving the Scheme of Amalgamation in the aforesaid meetings.

Further, Report/Statement explaining effect of the Scheme on Promoters, Directors, Key Managerial Personnel, Shareholders, Creditors, Employees, etc., and other material information, if any, has also been approved unanimously, by the respective Board of Directors of the Transferor Company and the Transferee Company. None of the

Directors voted against or abstained from voting on the resolution for approving the said Report/Statement.

**15.** In terms of the provisions of the SEBI Regulations, the Transferor Company had filed the requisite application(s) along with the draft Scheme of Amalgamation and other documents with Bombay Stock Exchange (BSE) to obtain No Objection to the proposed Scheme of Amalgamation.

**16.** As required by the SEBI Regulations, the Transferor Company filed Complaint Report (indicating Nil Complaints) with BSE. After filing of Complaint Report, the Transferor Company has not received any compliant from any investors.

Copy of the aforesaid Complaint Report is enclosed herewith.

**17.** The Transferor Company has received no-objection/observation to the Scheme of Amalgamation from BSE Limited vide its Letter No. DCS/AMAL/NB/R37/3739/2025-26 dated 25th August, 2025. Relevant extracts from the Observation Letter issued by BSE are reproduced below:

*"We refer to your application for Scheme of Amalgamation of Rudra Ecovation Limited ("REL"/Transferor Company") with Shiva Texfabs Limited ("STL"/ "Transferee Company") and their respective Shareholders and creditors under section 230 to 232 read with section 66 and other applicable provisions of the Companies Act 2013 and rules made thereunder filed with the Exchange under Regulation 37 of SEBI LODR Regulations, 2015, read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/21/93 dated June 20, 2023 and Reg. 94(2) of SEBI LODR Regulations, 2016*

*In this regard, SEBI vide its Letter dated August 12, 2025, has inter alia given this following comment(s) on the said scheme of Arrangement:*

1. *"The Entity shall discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."*

2. *"The Entity shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges."*

3. *"The Entity shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the Master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."*

4. *"The entities are advised that the Information pertaining to all the Unlisted Companies, if any, involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018,*

*in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."*

5. *"The Entity shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."*

6. *"The entity is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."*

7. *"The entity is advised that the proposed equity shares, if any, to be issued in terms of the "Scheme" shall mandatorily be in demat form only."*

8. *"The entity in advised that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."*
9. *"No changes to the draft scheme except those mandated by the regulators/authorities/tribunals shall be made without specific written consent of SEBI*

10. *"The entity is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT."*

11. *"The entity is advised to comply with the all-applicable provisions of the Companies Act, 2013, rules and regulations Issued thereunder including obtaining the consent from the creditors for the proposed scheme."*

12. *"The entity shall ensure that STL transfers shares held by Basant Finvest Private Limited to Suspense Demat Account until further action either by STL or DFPL as per the provisions of the Companies Act, 2013; SEBI Act, 1992 and rules and regulations issued thereunder."*

13. *"The company is advised to ensure disclose that the following additional disclosure to the public shareholders as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, to enable them to take an informed decision.*

    i. *In the interest of ensuring transparency and informed decision making by public shareholders, transferee company to prominently disclose following information on the very first page of the notice convening the shareholders meeting for approval of scheme of arrangement (in bold text and highlighted for visibility) and in all the further communications to the public shareholders:*

*"The shareholding pattern of Promoter/Promoter Group and Public shareholders before and after implementation of scheme is depicted as under:*

| *Category* | *Pre-Scheme Shareholding (%)* | *Post-Scheme Shareholding (%)* | *Change (%)* |
|---|---|---|---|
| *Promoter/Promoter Group* | | | |
| *Public Shareholders* | | | |

*The shareholders may note that implementation of scheme shall result in increase in the shareholding of Promoter/Promoter Group from.....% to %. Shareholders may also note that approval of the shareholders to scheme of merger would also result in to them agreeing to increase in shareholding of promoters on implementation of the scheme. Therefore, investors should read all the scheme related documents before exercising their voting rights.*

*The above disclosure shall also be accompanied by a brief explanation regarding the reasons for the increase in shareholding of Promoter/Promoter Group and its Impact on the public shareholders in terms of their rights and value of their holding in the Company. Details of assets, liabilities, net worth and revenue of the companies involved, pre and post scheme. Details of assets, liabilities, net worth and revenue of the companies involved, pre and post scheme.*

ii. *Details w.r.t. No Objection Certificate (NOC) from the landing scheduled commercial banks/financial institutions/ debenture trustees.*

iii. *Impact of scheme on revenue generating vispasity of Transferee Company.*

iv. *Need and Rationale of the scheme, Synergles of business of the companies Involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.*

v. *Value of assets and liabilities of Transferor Company that are being transferred to Transferee Company*

vi. *Details/facts about the basis of valuation of STL including company's substantial order book and the management's anticipation regarding sustained growth in the coming years, projections considered for valuation of transferor and transferee companies along with justification for growth rate considered for valuation;*

vii. *Latest financials of transferor and transferee companies should be updated on the Website and same also to be disclosed in the explanatory statement.*

viii. *Revised shareholding pattern of transferor and transferee companies Pre and Post-Morger.*

ix. *Pre and Post scheme shareholding of transferor and transferee companies as on the date of notice of Shareholders meeting along with rationale for changes, if any. occurred between filing of Draft Scheme to Notice to shareholders.*

x. *Disclose all pending actions against the entities involved in the scheme its promoters/directors/KMPs and possible impact of the same on the Transferee Company to the shareholders.*

xi. *Disclose clearly the method of accounting along with applicable IND AS;*

xii. *Promoter/ promoter group of STL will not transfer any shares to any other person till the effective date of scheme. Further, in case they transfer the shares then the Acquirer(s) shall be classified as promoter post scheme and provisions of lock-in shall apply to the Acquirer(s);*

xiii. *The entity shall ensure that applicable additional information, if any to be submitted to SEBI along with draft scheme of arrangement as advised by email dated August 25, 2025 shall form part of disclosures to the shareholders.*

14. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.*

*Accordingly, based on aforesaid comment offered by SEBI, the Company is hereby advised:*

- *To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.*

- *To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.*

- *To duly comply with various provisions of the circulars.*

***In the light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/ continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.***

*Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023, if any.*

*However, the listing of equity shares of Shiva Texfabs Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular, No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Further, Shiva Texfabs Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBE and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange. The Companies shall fulfil the Exchange's criteria for listing the securities of such Companies and also comply with other applicable statutory requirements. However, the listing of shares of Shiva Texfabs Limited is at the discretion of the Exchange. In addition to the above, the listing of Shiva Texfabs Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:*

1. *To submit the Information Memorandum containing all the information about of Shiva Texfabs Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the Companies are also advised to make the same available to the public through its website.*

2. *To publish an advertisement in the newspapers containing all details of Shiva Texfabs Limited in line with the details required as per the aforesaid SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.*

3. *To disclose all the material information about of Shiva Texfabs Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.*

4. *The following provisions shall be incorporated in the scheme:*

    - *"The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."*

    - *"There shall be no change in the shareholding pattern of Shiva Texfabs Limited between the record date and the listing which may affect the status of this approval*

*Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement."*

A copy of the Observation Letter received from BSE is enclosed herewith.

**18.** The additional disclosures required by the BSE (Stock Exchange), which are mandated to be included/enclosed in the present Explanatory Statement, are as follows:

**a.** It is clarified and confirmed that the Transferor Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the stock exchange, from the date of receipt of the observation letter, is displayed on the websites of the Transferor Company and the BSE.

**b.** The shareholding pattern of Promoter/Promoter Group and Public shareholders before and after implementation of scheme is depicted as under:

| Category | Pre-Scheme Shareholding (%) | Post-Scheme Shareholding (%) | Change (%) |
|---|---|---|---|
| Promoter/Promoter Group | 99.46 | 59.55 | (39.91) |
| Public Shareholders | 0.54 | 40.45 | 39.91 |

The Shareholders may note that the implementation of the Scheme shall result in decrease of the shareholding of Promoter/Promoter Group from 99.46% to 59.55%. Shareholders may also note that approval of the Shareholders to Scheme of Merger would also result into them agreeing to decrease in Shareholding of promoters on implementation of the Scheme. Therefore, investors should read all the Scheme related documents before exercising their voting rights.

Copy of the details of assets, liabilities, net worth and revenue of the companies involved, Pre-Scheme and Post-Scheme are enclosed.

**c.** It is clarified and confirmed that the Transferor Company-Rudra Ecovation Limited, does not have any outstanding borrowings from any scheduled commercial bank, financial institution, or debenture trustee.

With respect to the Transferee Company-Shiva Texfabs Limited, it is clarified that the Company has duly obtained No Objection Certificates (NOCs) from Alchemist Asset Reconstruction Company Limited and Karur Vysya Bank Limited. It may be noted that the said NOCs represent more than 75% of the total secured borrowings of the Transferee Company, in compliance with the applicable provisions of the SEBI Master Circular.

It is further confirmed and clarified that neither the Transferor Company nor the Transferee Company has issued any debentures. Accordingly, there is no debenture trustee, and the requirement of obtaining a No Objection Certificate from a debenture trustee does not arise and is not applicable in the present case.

**d.** Clarification on the impact of the Scheme on the revenue generating capacity of the Transferee Company is as follows:

**i.** The Transferor Company is engaged in manufacturing of synthetic yarn and other related activities at its manufacturing unit located in Barotiwala in the State of Himachal Pradesh. Whereas, the Transferee Company is engaged in manufacturing of polyester staple fiber, synthetic yarn, knitted fabric, non-woven fabric and carpets etc., from the recycled material of pet waste, at the manufacturing units located in Machhiwara, Punjab.

**ii.** The Transferor Company has expertise in spinning operations which complements the Transferee Company's capabilities in recycling and textile manufacturing. The Transferee Company is one of the largest vertically integrated plastic recyclers in Asia and produces PET chips, fibers, and textiles. The proposed Amalgamation will integrate the Transferor Company's spinning operations to streamline the supply chain. The proposed Amalgamation of the Transferor Company with the Transferee Company will integrate the Transferor Company's spinning operations to streamline the supply chain and strengthen the combined entity's position as a global leader in sustainable textiles, leveraging a fully integrated value chain.

**iii.** Presently, the Transferee Company has a net worth of INR 20,417.87 Lakh. On Amalgamation, funds available with the Transferor Company will be transferred to and vested in the Transferee Company.

**iv.** Post-Scheme combined net worth of the Transferee Company will be significantly enhanced from INR 20,417.87 Lakh to INR 26,426.30 Lakh. This will have a direct bearing on revenue generating capacity of the Transferee Company. The Transferee Company will be able to substantially increase its top line and bottom line.

**v.** Hence, it is expected that the proposed Amalgamation will positively impact the revenue generating capacity of the Transferee Company.

**e.** Detailed rationale of the Scheme explaining the synergies of business of the Companies involved in the Scheme on the Shareholders has mentioned in para 6 above. Whereas the Cost Benefit Analysis of the Scheme is reproduced below:

*"The Consideration (as defined in the Scheme) represents a fair value of the business as substantiated by the fair equity shares swap ratio recommended in the Valuation Report and Fairness Opinion obtained by the Company in relation to the amalgamation. The Scheme would entail some costs towards implementation. However, the benefits of the Scheme over a longer period are expected to far outweigh such costs for the stakeholders of the Scheme entities."*

**f.** Copy of details of value of assets and liabilities of the Transferor Company that are being transferred to the Transferee Company is enclosed.

**g.** Details/facts about the basis of valuation of the Transferee Company and the company's substantial order book and the management's anticipation regarding sustained growth in the coming years, projections considered for valuation of transferor and transferee companies along with justification for growth rate considered for valuation, are as follows:

**i.** The valuation of STL has been carried out on Discounted Cash Flow Method basis. This method is particularly useful for unlisted and going concern Companies or those without clear market comparable, as it focuses on the company's internal financial performance and future prospects, rather than external market conditions.

Hence, The Valuation has been done on the basis of the Provisional Financial Statement of STL as on September 30, 2024 and the financial projections from 01st October, 2024 to 31st March, 2027. The value per equity share of STL of par value of Rs. 10 each using Discounted Cash Flow Method is determined at Rs. 337.26 per Equity Share.

**ii.** In addition, the management has anticipated sustained growth in the coming years based on the substantial planned capex. The Company, Shiva Texfabs Ltd, is an integrated unit manufacturing Flakes, Fibre, Yarn, Knitted Fabric & Carpets. The Company evaluated that a CAPEX of Rs.100 cr. will modernize the existing capacities & increase the capacity of:

- Flakes from 200TPD to 400 TPD;
- Fibre from 125 TPD to 250 TPD;
- POY from 24 TPD to 48 TPD;
- Fabric from 20% existing utilization to 100% after adding the finishing machines with fully latest version of the finishing machines enabling us to produce world class sustainable fabric which is in high demand worldwide as all the top brands like IKEA, H&M and ZARA etc. have now announced that they will go for 100% sustainable fabric in coming 2-3 years.

**iii.** Further, Rudra is listed on BSE and are frequently traded in terms of Part IV, Pricing, Chapter VII of Securities and Exchange Board of India (ICDR) regulations, 2018. Hence, the valuation of Transferor Company has been carried out on the basis of Market Price Method [(90 trading days (TD)-10 Trading Days (TD)].

**h.** Revised Shareholding Pattern of the Transferor and Transferee Companies [Pre-Merger and Post-Merger] is given below:

**Rudra Ecovation Limited:**

| Category | Pre-Scheme Shareholding as on date of notice (%) | Post-Scheme Shareholding (%) |
|---|---|---|
| Promoter/Promoter Group | 1,85,71,500 (15.56%) | N.A.[#] |
| Public Shareholders | 100756500 (84.44%) | N.A.[#] |
| **Total** | **1193,28,000** | N.A.[#] |

[#] On approval of the Scheme of Amalgamation, the Transferor Company will be dissolved.

**Shiva Texfabs Limited:**

| Category | Pre-Scheme Shareholding (%) | Post-Scheme Shareholding (%) |
|---|---|---|
| Promoter/Promoter Group | 3,49,65,119 (99.46%) | 3,18,79,913 (59.55) |
| Public Shareholders | 1,89,570 (0.54%) | 2,16,50,704 (40.45) |
| **Total** | **3,51,54,689** | **5,35,30,617** |

***Note:***

*a) 70,40,936 Equity Shares of Rudra Ecovation Limited held by Shiva Texfabs Limited shall be cancelled on account of cross holding*

b) *12,00,000 Preference Shares of Rudra Ecovation Limited held by Shiva Texfabs Limited shall be cancelled on account of cross holding*

**i.** Pre-Scheme and Post-Scheme Shareholding of the Transferor Company and the Transferee Company as on the date of Notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme and Notice to Shareholders, are mentioned below:

i. Pre-Scheme Shareholding Pattern of the Transferor Company- Rudra Ecovation Limited as on the date of notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme and Notice to Shareholders:

| Category | Pre-Scheme Shareholding as on date of filing of scheme (%) | Pre-Scheme Shareholding as on date of notice (%) | Rationale for Change |
|---|---|---|---|
| Promoter /Promoter Group | 1,57,91,500 (13.97%) | 18571500 (15.56%) | Change in shareholding is due to conversion of Warrants into Equity Shares |

| | | | |
|---|---|---|---|
| Public Shareholders | 9,72,41,500 (86.03%) | 100756500 (84.44%) | Change in shareholding is due to conversion of Warrants into Equity Shares |
| **Total** | **11,30,33,000** | **11,93,28,000** | |

ii. There is no change in the Pre-Scheme Shareholding Pattern of the Transferee Company-Shiva Texfabs Limited, occurred between filing of Draft Scheme and Notice to Shareholders.

iii. Post-Scheme Shareholding Pattern of the Transferee Company-Shiva Texfabs Limited as on the date of notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme and Notice to Shareholders:

| Category | Post Scheme SHP as on date of filing of draft scheme | Post-Scheme Shareholding (%) as on date of notice | Rationale for change |
|---|---|---|---|
| Promoter/Promoter Group | 32,246,273 (59.60) | 3,18,79,913 (59.55) | Due to non-exercise of option by certain warrant holders of Rudra Ecovation Ltd within the prescribed period of 18 months from the date of allotment, the warrants lapsed and were consequently forfeited. As a result, the corresponding equity shares were not issued, leading to a marginal change in the fully diluted shareholding pattern. |
| Public Shareholders | 2,18,56,676 (40.40) | 2,16,50,704 (40.45) | Due to non-exercise of option by certain warrant holders of Rudra Ecovation Ltd within the |

| | | | |
|---|---|---|---|
| | | | prescribed period of 18 months from the date of allotment, the warrants lapsed and were consequently forfeited. As a result, the corresponding equity shares were not issued, leading to a marginal change in the fully diluted shareholding pattern. |
| **Total** | **5,41,02,949** | **5,35,30,617** | |

**j.** It is confirmed that as per the information available with the Transferor Company and the Transferee Company as on the date of this Statement, no proceeding for inspection, inquiry or investigation under the provisions of the Companies Act, 2013, or under the provisions of the Companies Act, 1956, or under any other law is pending against the Transferor Company or the Transferee Company. It is also confirmed that no proceedings for Corporate Insolvency Resolution Process (CIRP), or for liquidation, or for winding-up is pending against the Transferor Company and the Transferee Company under the provisions of the Insolvency and Bankruptcy Code, 2016 or under any other law. Further, no material legal proceeding is pending against the Transferor Company and the Transferee Company.

It is further clarified and confirmed that there is no ongoing adjudication and recovery proceeding, prosecution initiated, or any other enforcement action taken against the Transferor Company or its promoters or its directors.

However, the following proceedings are pending against the Transferee Company:

| **1.** | |
|---|---|
| **Nature of Proceedings** | The Company has filed an appeal before Hon'ble Commissioner (Appeals), Central Excise Chandigarh against the orders of the Assistant Commissioner, Central Excise Division, Ropar. |
| **Forum** | Hon'ble Commissioner (Appeals), Central Excise, Chandigarh |
| **Case Title** | The Company vs. Hon'ble Commissioner (Appeals), Central Excise, Chandigarh. |
| **Brief Particulars of the litigation/ issues involved** | Appeal filed against orders for recovery of interest and penalty for alleged wrongfully availing of CENVAT credit on invalid invoices amounting to Rs. 2,02,838/-. |

| | |
|---|---|
| **Current Status** | Pending |
| **Any other relevant information** | As per order of the Hon'ble Commissioner (Appeals); the department is yet to provide the re-calculated amounts of interest and penalty imposed. |

| | |
|---|---|
| **2.** | The Company has filed an appeal before Hon'ble Commissioner (Appeals), Central Excise Chandigarh against the orders of the Assistant Commissioner, Central Excise Division, Ropar. |
| **Nature of Proceedings** | |
| **Forum** | Hon'ble Commissioner (Appeals), Central Excise, Chandigarh |
| **Case Title** | The Company vs. Hon'ble Commissioner (Appeals), Central Excise, Chandigarh. |
| **Brief Particulars of the litigation/ issues involved** | Appeal filed against orders for recovery of interest and penalty for allegedly wrongful availment of CENVAT credit on invalid invoices amounting to Rs. 1,22,356/-. |
| **Current Status** | Pending |
| **Any other relevant information** | As per order of the Hon'ble Commissioner (Appeals); the department is yet to provide the re-calculated amounts of interest and penalty imposed. |

| | |
|---|---|
| **3.** | The Company has filed an appeal before Hon'ble Commissioner (Appeals), Central Excise Chandigarh against the orders of the Assistant Commissioner, Central Excise Division, Ropar. |
| **Nature of Proceedings** | |
| **Forum** | Hon'ble Commissioner (Appeals), Central Excise, Chandigarh |
| **Case Title** | The Company vs. Hon'ble Commissioner (Appeals), Central Excise, Chandigarh. |
| **Brief Particulars of the litigation/ issues involved** | Appeal filed against orders for recovery of interest and penalty for alleged wrongfully availing of CENVAT credit on invalid invoices amounting to Rs. 1,11,198/-. |
| **Current Status** | Pending |
| **Any other relevant information** | As per order of the Hon'ble Commissioner (Appeals); the department is yet to provide the re-calculated amounts of interest and penalty imposed. |

| | |
|---|---|
| **4.** | Labour Dispute |
| **Nature of Proceedings** | |
| **Forum** | Labour Court |
| **Case Title** | Mr. Mohan Singh (Ex Employee) vs. The Company. |
| **Brief Particulars of the litigation/ issues involved** | Claim filed by Ex- Employee seeking Pending Compensation of Rs. 2,00,000/- |
| **Current Status** | Pending |
| **Any other relevant information** | Matter relates to employment termination / compensation claim |

| | |
|---|---|
| **5.** | The Company has filed an application for OTS against the appeals orders of learned Asstt. Excise and Taxation Commissioner for the Year 2013-14. |
| **Nature of Proceedings** | |
| **Forum** | VAT Department, Punjab |
| **Case Title** | The Company vs. VAT Department, Punjab |
| **Brief Particulars of the litigation/ issues involved** | Demand against rejection of VAT ITC claim of Rs. 51,07,506/-. |
| **Current Status** | Pending |
| **Any other relevant information** | The Company has filed an application for OTS against the appeals orders of learned Asstt. Excise and Taxation Commissioner for the year 2013-14 challenging the additional demand of VAT for Rs. 51,07,506.00 on account of rejection of ITC claim on purchases, and in the event of the OTS case being finally decided against the Company, it is contingently liable for the balance amount of demand, which shall be payable with applicable imposts. |

| | |
|---|---|
| **6.** | The Company has filed an application for OTS against the appeals orders of learned Asstt. Excise and Taxation Commissioner for the Year 2014-15. |
| **Nature of Proceedings** | |
| **Forum** | VAT Department, Punjab |
| **Case Title** | The Company vs. VAT Department, Punjab |
| **Brief Particulars of the litigation/ issues involved** | Demand against rejection of VAT ITC claim of Rs. 3761206/-. |
| **Current Status** | Pending |
| **Any other relevant information** | The Company has filed an application for OTS against the appeals orders of learned Asstt. Excise and Taxation Commissioner for the year 2014-15 challenging the additional demand of VAT for Rs. 37,61,206.00 on account of rejection of ITC claim on purchases, and in the event of the OTS case being finally decided against the Company, it is contingently liable for the balance amount of demand, which shall be payable with applicable imposts. |

| | |
|---|---|
| **7.** | The Company has filed an application for OTS against the appeals orders of learned Asstt. Excise and Taxation Commissioner for the Year 2015-16. |
| **Nature of Proceedings** | |
| **Forum** | VAT Department, Punjab |
| **Case Title** | The Company vs. VAT Department, Punjab |
| **Brief Particulars of the litigation/ issues involved** | Demand against rejection of VAT ITC claim of Rs. 2122533/-. |
| **Current Status** | Pending |
| **Any other relevant information** | The Company has filed an application for OTS against the appeals orders of learned Asstt. Excise and Taxation Commissioner for the year 2015-16 challenging the additional demand of VAT for Rs. 21,22,533.00 on account of rejection of ITC claim on purchases, and in the event of the OTS case being finally decided against the Company, it is contingently liable for the balance amount of demand, which shall be payable with applicable imposts. |

**k.** Disclosures regarding to the method of accounting used along with applicable IND AS are enclosed.

**l.** It is clarified and confirmed that the Promoter/ promoter group of STL will not transfer any shares to any other person till the effective date of the Scheme.

**m.** The additional information/document(s) sought by SEBI vide email dated 25th August, 2025, from the Transferor Company are enclosed.

**19.** The present Scheme of Amalgamation, if approved in the aforesaid meetings, will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Chandigarh Bench-I, Chandigarh. No specific approval is required to be obtained from any other government authority to the present Scheme of Amalgamation.

**20.** No proceeding for inspection, inquiry or investigation under the provisions of the Companies Act, 2013, or under the provisions of the Companies Act, 1956, or under any other law is pending against the Transferor Company and the Transferee Company. It is also confirmed that no proceedings for Corporate Insolvency Resolution Process (CIRP), or for liquidation, or for winding-up is pending against the Transferor Company and the Transferee Company under the provisions of the Insolvency and Bankruptcy Code, 2016 or under any other law. Further, no material legal proceeding is pending against the Transferor Company and the Transferee Company.

**21. Effect of the Scheme on the Promoters, Directors, Key Managerial Personnel, Shareholders, etc.:**

**a.** The Promoters and/or Directors of the the Transferor Company and the Transferee Company shall be deemed to be interested in the proposed Scheme of Amalgamation to the extent of their respective shareholding, loans extended to, and remuneration drawn from the respective companies. Similarly, the Key Managerial Personnel (KMP) of the Transferor Company and the Transferee Company shall be deemed to be interested in the proposed Scheme to the extent of their respective shareholding, loans extended to, and remuneration drawn from the respective companies.

**b.** The proposed Scheme of Amalgamation would not have any effect on the material interest of the Promoters, Directors and Key Managerial Personnel of the Transferor Company and the Transferee Company different from that of the interest of other shareholders, creditors and employees of these Companies.

**c.** The proposed Scheme of Amalgamation does not envisage any corporate debt restructuring. There is no proposal to restructure or vary the debt obligation of the Transferor Company and the Transferee Company towards their respective creditors. The proposed Scheme of Amalgamation will not adversely affect the rights of any of the creditors of the Transferor Company and the Transferee Company, in any manner whatsoever.

**d.** The proposed Scheme of Amalgamation will not have any adverse effect on the Secured Creditors, Un-secured Creditors, Employees and other stakeholders, if any, of the Transferor Company and the Transferee Company.

**22. Shareholding of the Directors and Key Managerial Personnel**

**22.1** Detail of present Shareholding of the Directors and Key Managerial Personnel of the Transferor Company in the Transferor Company and the Transferee Company either singly or jointly or as nominee, is as under:

| Sl. No. | Name of Directors & KMP and their Designation | No. of Shares held as on 31.3.2025 | |
|---|---|---|---|
| | | Transferor Company | Transferee Company |
| **1.** | Akhil Malhotra<br>Director | 5,00,000 | 66,51,896 |
| **2.** | Bhim Sain Goyal<br>Director | Nil | Nil |
| **3.** | Akhilesh Kumar Tiwari<br>Director and Chief Executive Officer | Nil | Nil |
| **4.** | Kajal Rai<br>Director | Nil | Nil |
| **5.** | Dharam Veer Singh<br>Director | Nil | Nil |
| **6.** | Gian Chand Thakur<br>Whole-time director | Nil | Nil |
| **6.** | Ravi Passi<br>Chief Financial Officer | Nil | Nil |
| **7.** | Nancy Singla<br>Company Secretary | Nil | Nil |

**22.2** Detail of present Shareholding of the Directors and Key Managerial Personnel of the Transferee Company in the Transferor Company and the Transferee Company either singly or jointly or as nominee, is as under:

| Sl. No. | Name of Directors & KMP and their Designation | No. of Shares held as on 31.3.2025 | |
|---|---|---|---|
| | | Transferor Company | Transferee Company |
| **1.** | Akhil Malhotra<br>Director | 5,00,000 | 66,51,896 |
| **2.** | Dharam Veer Singh<br>Independent Director | Nil | Nil |
| **3.** | Upendra Lal<br>Director | Nil | Nil |
| **4.** | Jaiswaroop Sharma<br>Whole-time director | Nil | Nil |
| **5.** | Kajal Rai<br>Independent Director | Nil | Nil |
| **6.** | Hardeep Singh<br>Chief Financial Officer | Nil | Nil |
| **7.** | Reema<br>Company Secretary | Nil | Nil |

## 23. Pre-Scheme Share Capital Structure

**23.1** Pre-Scheme Share Capital Structure of the Transferor Company is given below:

| Particulars | No. of Shares | Amount ( ₹ ) |
|---|---|---|
| Equity Shares of ₹1 each fully paid-up | 11,93,28,000 | 11,93,28,000 |
| (4%)Non-cumulative Redeemable Preference Shares of ₹100 each | 12,00,000 | 12,00,00,000 |

**23.2** Pre-Scheme Share Capital Structure of the Transferee Company is given below:

| Particulars | No. of Shares | Amount ( ₹ ) |
|---|---|---|
| Equity Shares of ₹10 each fully paid-up | 3,04,52,934 | 30,45,29,340 |
| Equity Shares of ₹10 each partly paid-up ₹4.60 per share | 47,01,755 | 2,16,28,073 |

## 24. Post-Scheme Share Capital Structure

**24.1** In terms of the provisions of the Scheme, the Transferor Company will be merged with the Transferee Company. On the Scheme become effective, the Transferor Company will be dissolved without the process of winding up.

**24.2** Post-Scheme Share Capital Structure of the Transferee Company is given below:

| Particulars | No. of Shares (of ₹10 each) | Amount ( ₹ ) |
|---|---|---|
| Post-Scheme Issued, Subscribed and Paid-up Equity Share Capital | 5,35,30,617 | 53,53,06,170 |
| **Total:** | **5,35,30,617** | **53,53,06,170** |

## 25. Pre and Post Scheme Shareholding Pattern

**25.1** Pre-Scheme Equity and Preference Shareholding Pattern of the Transferor Company is given below:

**Equity Shareholding Pattern:**

| Sl. No. | Category | Pre-Scheme | |
|---|---|---|---|
| | | No. of fully paid-up Equity Shares of ₹1 each | % of total Equity Share Capital |
| **1.** | Shareholding of Promoters & Promoters' Group (A) | 1,85,71,500 | 15.56 |
| **2.** | Public Shareholding (B) | 10,07,56,500 | 84.44 |
| | **Total (A+B)** | **11,93,28,000** | **100** |

**Preference Shareholding Pattern:**

| Sl. No. | Category | Pre-Scheme | |
|---|---|---|---|
| | | No. of fully paid-up Preference Shares of ₹100 each | % of total Preference Share Capital |
| **1.** | Shareholding of Promoters & Promoters' Group (A) | 12,00,000 | 100 |
| **2.** | Public Shareholding (B) | - | - |
| | **Total (A+B)** | **12,00,000** | **100** |

*In terms of the provisions of the Scheme, the Transferor Company will be merged with the Transferee Company. On the Scheme become effective, the Transferor Company will be dissolved without the process of winding up.*

Detailed Pre-Scheme Shareholding Pattern of the listed Transferor Company are enclosed herewith.

**25.2** Pre-Scheme and Post-Scheme Equity Shareholding Pattern of the Transferee Company is given below:

| Sl. No. | Category | Pre-Scheme | | | Post-Scheme | |
|---|---|---|---|---|---|---|
| | | No. of fully paid-up Equity Shares of ₹10 each | No. of Partly paid-up Equity Shares of ₹10 each | % of total Equity Share Capital | No. of fully paid-up Equity Shares of ₹10 each | % of total Equity Share Capital |
| **1.** | Shareholding of Promoters & Promoters' Group (A) | 3,02,63,364 | 47,01,755 | 99.46 | 3,18,79,913 | 59.55 |
| **2.** | Public Shareholding (B) | 1,89,570 | - | 0.54 | 2,16,50,704 | 40.45 |
| | **Total (A+B)** | **3,04,52,934** | **47,01,755** | **100** | **5,35,30,617** | **100** |

Detailed Pre-Scheme and Post-Scheme Equity Shareholding Patterns of the Transferee Company are enclosed herewith.

**26.** A copy of the Scheme of Amalgamation is being filed with the concerned Registrar of Companies.

**27.** Copies of the latest Audited Financial Statements of the Transferor Company and the Transferee Company for the year ended 31st March, 2025, along with the Auditors' Reports thereon, are enclosed herewith.

**28.** Copy of the Un-audited Financial Statements along with Limited Review Report of the Transferor Company for the period ended 30th September, 2025, is also enclosed herewith.

**29.** Copy of the Audited Financial Statement of the Transferee Company for the period ended 31st August, 2025, is also enclosed herewith.

**30.** Applicable information of Transferee Company in the format specified for Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, along with the Certificate issued by 3Dimension Capital Services Limited, SEBI Registered Category 1 Merchant Bankers are enclosed.

**31.** Compliance Report in terms of the provisions of the SEBI Scheme Master Circular is enclosed herewith.

**32.** Total amount due to Secured Creditors of the Transferor Company and the Transferee Company, as on 31st March, 2025, are given below:

| **Sl. No.** | **Company** | **Amount ₹ in lakh** |
|---|---|---|
| **1.** | Rudra Ecovation Limited | Nil |
| **2.** | Shiva Texfabs Limited | 9,516.74 |

**33.** Total amount due to Un-secured Creditors [excluding Statutory & Other Dues] of the Transferor Company and the Transferee Company, as on 31st March, 2025, are given below:

| **Sl. No.** | **Company** | **Amount ₹** |
|---|---|---|
| **1.** | Rudra Ecovation Limited | 183.18 Lakhs |
| **2.** | Shiva Texfabs Limited | 9,687.36 Lakhs |

**34.** The following documents will be available for inspection or for obtaining extracts from or for making or obtaining copies of, by the members and creditors at the registered office of the Transferor Company and the Transferee Company on any working day from the date of this notice till the date of meeting between 11:00 A.M. and 5:30 P.M.:

**a.** Memorandum and Articles of Association of the Transferor Company and the Transferee Company.

**b.** Audited Financial Statements of the Transferor Company and Transferee Company for the year ended 31st March, 2025, 31st March, 2024 and 31st March, 2023.

**c.** Un-audited Financial Statements along with Limited Review Report of the Transferor Company for the period ended 30th September, 2025.

**d.** Audited Financial Statements of the Transferee Company for the period ended 31st August, 2025.

**e.** Register of Particulars of Directors and KMP and their Shareholding, of the Transferor Company and Transferee Company.

**f.** Copy of the proposed Scheme of Amalgamation.

**g.** Paper Books and proceedings of the Company Application (CAA) 47/Chd/Hry of 2025.

**h.** Copy of Order dated 6th November, 2025 (date of pronouncement), passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench-I, Chandigarh in the Company Application No. (CAA) 47/Chd/Hry of 2025, jointly filed by the Transferor Company and Transferee Company, in pursuance of which the aforesaid meetings are scheduled to be convened.

**i.** Report on Valuation of Shares & Share Exchange Ratio issued by Mr. Subodh Kumar, the IBBI Registered Valuer in respect of Securities or Financial Assets, recommending Share Swap for the proposed Amalgamation.

**j.** Copy of the Fairness Opinion of 3Dimension Capital Services Limited, SEBI Registered Category 1 Merchant Bankers on the Share Valuation & Share Exchange Ratio.

**k.** Copies of the Certificates issued by the Statutory Auditors of the Transferor Company and Transferee Company to the effect that the accounting treatment proposed in the Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

**l.** Complaints Reports filed by the Transferor Company with BSE.

**m.** Compliance Report in terms of the provisions of the SEBI Scheme Master Circular.

**n.** Observation Letter of BSE for the proposed Scheme of Amalgamation conveying their No-Objection to the Scheme of Amalgamation.

**o.** Applicable information of Transferee Company in the format specified for Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with SEBI Circular No. SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, along with the Certificate issued by 3Dimension Capital Services Limited, SEBI Registered Category 1 Merchant Bankers.

**35.** A copy of the Scheme of Amalgamation, Explanatory Statement and other annexures may be obtained free of charge on any working day (except Saturday) prior to the date of meetings, from the respective registered office of the Transferor Company and the Transferee Company or from the office of the Legal Counsel-M/s Rajeev Goel & Associates, Advocates and Solicitors, 785, Pocket-E, Mayur Vihar-II, Delhi Meerut Expressway/ NH-9, Delhi-110 091, India, Mobile: 88005 15597, e-mail: info@rgalegal.in; Website: www.rgalegal.in.

**36.** Notice of the meetings, Explanatory Statement and other documents are also being placed on the following websites:

| Particulars | Website |
|---|---|
| Rudra Ecovation Limited | www.rudraecovation.com |
| Shiva Texfabs Limited | www.shivagroup.info |
| BSE Ltd | www.bseindia.com |

**37. Please take note that since all the meetings are proposed to be held through Video Conferencing, option of attending the meetings through proxy is not applicable/available.**

**38.** Facility of remote e-voting will be available during the prescribed period before the meetings as given in the notice of the meetings e-voting system will also be available during the meetings. Instructions for attending the meetings through Video Conferencing; and for voting through e-voting system are given in the notice of meetings.

Dated this 13th day of January, 2026

**For and on behalf of the Board of Directors**
**For Rudra Ecovation Limited**

**Sd/-**
**Akhil Malhotra**
**Director**
**DIN: 00126240**

**For and on behalf of the Board of Directors**
**For Shiva Texfabs Limited**

**Sd/-**
**Jaiswaroop Sharma**
**Director**
**DIN: 08915607**

**SCHEME OF AMALGAMATION OF RUDRA ECOVATION LIMITED WITH SHIVA TEXFABS LIMITED; AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 & 232 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AND OTHER APPLICABLE PROVISIONS, IF ANY**

## A. Preamble and Overview of the Scheme

The present Scheme of Amalgamation is framed in terms of the provisions of Sections 230 & 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961, and other applicable provisions, if any.

The Scheme of Amalgamation provides the following:

**i.** Amalgamation of Rudra Ecovation Limited with and into Shiva Texfabs Limited on going-concern basis.

**ii.** Various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation.

## B. Background and brief description of the Companies to the Scheme

### I. Rudra Ecovation Limited

i. Rudra Ecovation Limited (the Transferor Company) is incorporated under the provisions of the Companies Act, 1956, with Corporate Identity No. L43292HP1980PLC031020, having its registered office at Plot No. 43-44, Industrial Area, Barotiwala-174 103, Himachal Pradesh.

ii. Rudra Ecovation Limited, the Transferor Company is engaged in manufacturing of synthetic yarn and other related activities at its manufacturing unit located in Barotiwala in the State of Himachal Pradesh.

iii. Rudra Ecovation Limited is a public limited company listed on BSE.

### II. Shiva Texfabs Limited

i. Shiva Texfabs Limited (the Transferee Company) is incorporated under the provisions of the Companies Act, 1956, with Corporate Identity No. U18101PB1993PLC013745, having its registered office at 4$^{th}$ Floor, Wood Stock Tower, B-35/958, Adarsh Nagar, Ferozepur Road, Ludhiana-141 001, Punjab.

ii. Shiva Texfabs Limited, the Transferee Company is engaged in manufacturing of polyester staple fiber, synthetic yarn, knitted fabric, non-woven fabric and carpets etc., from the recycled material of pet waste, at the manufacturing units located in Machhiwara, Punjab.

iii. Shiva Texfabs Limited is a closely held un-listed public limited company.

**III.** Relevant corporate details of both the Companies are given in 'Clause-1: Definitions Clause' of the Scheme.

**IV.** Both the Companies in the Scheme are under common management and control.

**V.** The proposed Amalgamation seeks to create a stronger entity that capitalizes on market opportunities, achieves operational efficiencies, and enhances shareholders' value. Present Scheme of Amalgamation will be a pivotal step toward creating a market leader in plastic recycling and manufacturing of sustainable textiles. Through integrated operations, financial synergies, and alignment with global sustainability goals, the merged entity will be able to achieve robust growth and deliver exceptional shareholders' value.

## C. Detailed Rationale and Benefits of the Scheme

The circumstances which justify and/or necessitate the proposed Scheme of Amalgamation of Rudra Ecovation Limited with Shiva Texfabs Limited; and benefits of the proposed amalgamation as perceived by the Board of Directors of these Companies, to the Shareholders and other stakeholders are, inter alia, as follows:

i. **Complementary Operations:** The Transferor Company has expertise in spinning operations which complements the Transferee Company's capabilities in recycling and textile manufacturing. The Transferee Company is one of the largest vertically integrated plastic recyclers in Asia and produces PET chips, fibers, and textiles. The proposed Amalgamation will integrate the Transferor Company's spinning operations to streamline the supply chain.

ii. **Enhanced Market Leadership:** The proposed Amalgamation will strengthen the combined entity's position as a global leader in sustainable textiles, leveraging a fully integrated value chain.

iii. **Operational Synergies:** Integration of the Transferor and Transferee Companies will reduce raw material costs and will enhance manufacturing efficiencies. Consolidation of administrative functions and supply chains will improve profitability of the Combined entity.

iv. **Optimized Asset Utilization:** Physical and other infrastructure of the Transferor Company will be utilized more effectively to drive financial and operational gains.

v. **Economies of Scale:** The merged operations will reduce redundancies, improve resource utilization, and drive cost efficiencies. Scale advantages will enable better pricing and competitive market positioning.

vi. **Integrated Value Chain:** Shiva's raw materials directly feed Rudra's spinning processes, which supply yarn for Shiva's textile production. The fully integrated value chain reduces lead times, improves quality consistency, and minimizes waste.

vii. **Flexibility and Adaptability:** The merged entity will gain flexibility to respond to market demands and industry trends.

viii. **Regulatory Support:** Government policies encouraging recycling and sustainability create a favorable environment for expansion.

ix. **Aligned Global Sustainability Commitments:** The proposed Amalgamation aligns with the sustainability commitments of global brands which require increased recycled content in their products and packaging. Shiva's capacity to recycle 4 lakh kg of plastic bottles daily supports these objectives, giving the combined entity a competitive edge and ensuring steady growth opportunities.

x. **Environmental Impact:** Recycling reduces energy consumption by 60% and CO2 emissions by one-third compared to virgin materials. The merged entity's sustainable focus aligns with the environmental priorities of global clients.

xi. **Shareholder Benefits:** The improved financial profile enhances shareholder returns through better growth prospects.

The Scheme of Amalgamation is proposed for the aforesaid reasons. The Board of Directors and Management of the Transferor Company and the Transferee Company is of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.

## 1. DEFINITIONS, INTERPRETATION AND SHARE CAPITAL OF THE COMPANIES

### 1.1 DEFINITIONS

In this Scheme and all other Scheme related documents, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as under:

**1.1.1** **"Act or Companies Act, 2013"** means the Companies Act, 2013 (18 of 2013), and Rules, Notifications, Circulars, Clarifications made or issued thereunder [including but not limited to the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016]; and includes any amendments, statutory re-enactments, and modifications thereof for the time being in force.

**1.1.2** **"Amalgamation"** means amalgamation of Rudra Ecovation Limited with and into Shiva Texfabs Limited in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other Appropriate Authority, as the case may be.

**1.1.3** **"Applicable Law(s)**" means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, competent authority, court, tribunal having jurisdiction over the Companies; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Companies to this Scheme and shall include, without limitation, the listing agreement executed with the Stock Exchange.

**1.1.4** **"Appointed Date"** for the purpose of this Scheme means commencement of business on 1st April, 2025, or such other date as may be mutually decided by the Board of Directors of the Transferor Company and the Transferee Company with the approval of the Hon'ble National Company Law Tribunal, or such other date as the Hon'ble National Company Law Tribunal, or any other Appropriate Authority may approve.

**1.1.5** **"Appropriate Authority"** means:

**i.** The Government of any jurisdiction (including any Central, State, Provincial, Municipal or Local Government or any political or administrative sub-division thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof.

**ii.** Any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) NCLT, SEBI and Stock Exchanges.

**iii.** Such other Sectoral Regulators or Authorities as may be applicable.

**1.1.6** **"Board" or "Board of Directors"** means the respective Board of Directors of the Transferor Company and the Transferee Company and will, unless it is repugnant to the context or otherwise, include committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such committee(s).

**1.1.7** "**Companies**" means the Transferor Company and the Transferee Company when referred collectively; and "Company" means each of these Companies, individually.

**1.1.8** **"Convertible Warrants"** means Convertible Warrants issued by the Transferor Company. Holders of such Convertible Warrants are entitled to get one fully paid Equity Share in the Transferor Company for every one Convertible Warrant, subject to payment of balance amount within stipulated period and other terms and conditions.

**1.1.9** **"Effective Date"** means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning this Scheme, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references in this Scheme to "upon this Scheme becoming effective" or "upon this Scheme coming into effect" or "effectiveness of this Scheme" will be a reference to the Effective Date.

It is, however, clarified that though this Scheme will become operative from the Effective Date, the provisions of this Scheme will be effective from the Appointed Date. In other words, the effective date is only a trigger point for implementation of the Scheme. As soon as the effective date is achieved, provisions of this Scheme will come into operation; and will be effective and applicable with effect from the Appointed Date in terms of the provisions of Section 232(6) of the Companies Act, 2013, and other applicable provisions, if any.

**1.1.10** **"Encumbrance"** means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and (c) any adverse claim as to title, possession or use.

**1.1.11** **"FEMA"** means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and will include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

**1.1.12** **"Intellectual Property Rights"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Company, or in the nature of common law rights of the Transferor Company, as the case may be, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web Portals, trade names, logos, as well as copyright in all of the brands, logos and their variations, along with the global goodwill associated with the foregoing; uniforms, all applications and registration for the foregoing (b) all domestic and/or foreign Patents granted or applied for (c) confidential and proprietary information and trade secrets; (d) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (e) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (f) designs, drawings, sketches; (g) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (h) ideas and all other intellectual property or proprietary rights; and (i) all rights in all of the foregoing provided by Applicable Laws.

**1.1.13** **"IT Act"** means the Income Tax Act, 1961, and the rules made there under and will include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

**1.1.14** **"National Company Law Tribunal"** means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal is hereinafter referred to as "the Tribunal"/"NCLT".

**1.1.15** "**Permits**" means all consents, licenses, permits, permissions, authorisations, rights, clarifications, approvals, environmental approvals, customer approvals, no objection certificates (NOCs), clearances, confirmations, declarations, waivers, exemptions, registrations, enlistments, filings, whether governmental, statutory, regulatory, or otherwise under Applicable Law.

**1.1.16** **"Person"** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority.

**1.1.17** **"Portals"** means electronic portals and/or websites maintained by various Appropriate Authority, government departments, public sector undertakings, private sector undertakings, banks, financial institutions and other entities and Persons.

**1.1.18** **"Record Date"** means the date(s) to be fixed by the Board of Directors of the Transferor Company and/or the Transferee Company, to determine the eligibility of the Shareholders and Convertible Warrant Holders of the Transferor Company to issue shares and Convertible Warrants, as the case may be, in the Transferee Company pursuant to this Scheme.

**1.1.19** **"Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.

**1.1.20** **"Scheme"** means the present Scheme of Amalgamation framed under the provisions of Sections 230 & 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with Section 2(1B) of the Income Tax Act, 1961, and other applicable provisions, if any, which provides for Amalgamation of Rudra Ecovation Limited with Shiva Texfabs Limited on going-concern basis; and various other matters incidental, consequential or otherwise integrally connected with the aforesaid Amalgamation, if any; in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of these Companies and/or by any Appropriate Authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.

**1.1.21** **"SEBI or Securities and Exchange Board of India"** means the Securities and Exchange Board of India established as a statutory body under the provisions of the Securities and Exchange Board of India Act, 1992.

**1.1.22** **"SEBI Listing Regulations"** means 'the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015' [SEBI LODR Regulations], read with Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, issued by the Securities and Exchange Board of India for compliance with the provisions of SEBI LODR Regulations by listed entities, as amended from time to time.

**1.1.23** **"SEBI Scheme Circular"** means Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, issued by the Securities and Exchange Board of India, on Scheme of Arrangement by Listed Entities and other related matters, as amended from time to time.

**1.1.24** **"Stock Exchange"** means the BSE Limited (Bombay Stock Exchange/BSE).

**1.1.25** "**Taxation**" or "**Tax**" or "**Taxes**" means all forms of taxes and statutory, governmental, state, provincial, international, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Company or the Transferee Company or any other Person and all penalties, charges, costs and interest relating thereto.

**1.1.26** **"Transferor Company"** means **Rudra Ecovation Limited** being a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 43-44, Industrial Area, Barotiwala-174 103, Himachal Pradesh; e-mail: hfl.corporate@gmail.com, website: www.rudraecovation.com.

Rudra Ecovation Limited [Corporate Identity No. (CIN): L43292HP1980PLC031020; Income Tax Permanent Account No. (PAN): AAACH0871P] (hereinafter referred to as "the Transferor Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Himachal Fibre Private Limited' vide Certificate of Incorporation dated 20th February, 1980 issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. The Company was converted into a public limited company and name of the Company was changed to 'Himachal Fibre Limited' vide Fresh Certificate of Incorporation dated 7th August, 1981 issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. Registered Office of the Company was shifted from the NCT of Delhi to the State of Himachal Pradesh as approved by the Hon'ble Company Law Board, New Delhi Bench, New Delhi, vide Order dated 13th October, 2008. The Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh, registered the aforesaid order and allotted a new CIN to the Company. Name of the Company was changed to its present name 'Rudra Ecovation Limited' vide Fresh Certificate of Incorporation dated 13th February, 2024, issued by the Registrar of Companies, Himachal Pradesh, Chandigarh.

**1.1.27** **"Transferee Company"** means **Shiva Texfabs Limited** being a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 4th Floor, Wood Stock Tower, B-35/958, Adarsh Nagar, Ferozepur Road, Ludhiana-141 001, Punjab; e-mail: csstl@shivagroup.info, website: www.shivagroup.info.

Shiva Texfabs Limited [Corporate Identity No. (CIN): U18101PB1993PLC013745; Income Tax Permanent Account No. (PAN): AACCS0279A] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Shiva Fabricators Private Limited' vide Certificate of Incorporation dated 23rd September, 1993 issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh. The Company was converted into a public limited company as well its Name was changed to its present name 'Shiva Texfabs Limited' vide Fresh Certificate of Incorporation dated 14th March, 2005 issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.

**1.1.28** **"Undertaking"** means all the undertaking(s) and entire business of the Transferor Company as a going concern as of the Appointed Date, including all the assets, properties, investments, rights, approvals, licenses and powers, leasehold rights and all the debts, outstandings, liabilities, duties, other obligations and employees including, but not in any way limited to, the following:

**a.** All the assets and properties (whether movable or immovable, tangible or intangible (including but not limited to rights, titles, interest, goodwill, etc.), real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature), whether or not recorded in the books of accounts of the Transferor Company (including, without limitation, the freehold and leasehold properties of the Transferor Company), investments of all kinds (i.e., shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), furniture, fixtures, machinery, dies and tools, jigs & Fixtures, tools under development / prototype lying at company premises or lying with any supplier/ sub-contractor/ customer, office equipment, computers, fixed assets, current assets (including, without limitation, all inventories, stock-in-trade lying at Transferor Company's premises/ warehouses or at any supplier/ sub-contractor/customer or stock-in-transit, tools, plants, merchandise (including, raw materials, supplies, finished goods, and wrapping, supply, advertisement, promotional and packaging material), supplies, finished goods, packaging items, wherever located), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, any benefit granted under any scheme announced by any customer, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad.

**b.** All permits, licenses, permissions, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto.

**c.** All contracts, agreements, customer orders, purchase orders/service orders, orders in hand, tenders, tenders in

**d.** process, maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, joint notes, bids, tenders, expressions of interest, letters of intent, supply contracts, hire and purchase arrangements, lease/ license agreements, Leave & License agreement, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with suppliers/manufacture of goods/service providers, providers, other arrangements, undertakings, deeds, bonds, schemes, insurance policies, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder.

**e.** All applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, brands, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), industrial designs, product registrations, trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature.

**f.** All rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company.

**g.** All the credits for taxes such as income tax, wealth tax, central sales tax, service tax, applicable state value added tax, goods and service tax, customs duty, duty draw back or any other export benefits including but not limited to the right to claim credit for indirect taxes such as CENVAT credit, VAT credit, GST credit, or any other input tax credit, advance tax, withholding tax/ TDS, TCS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account and tax refunds of the Transferor Company.

**h.** All books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, technical specifications, drawings, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, User Manuals, Product Manuals, Maintenance and Operational Manuals, Spare Parts Catalogues, Product Approval, Vendor Approvals, quotations, sales and

advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form.

**i.** All debts whether secured or unsecured, liabilities including contingent liabilities, guarantees, duties, taxes and obligations of the Transferor Company of whatsoever kind, nature and description and howsoever arising, raised, incurred or utilized.

**j.** All staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company, with regard to their employees, with respect to the payment of gratuity, provident fund or other compensation or benefits, if any, as on the Effective Date.

**k.** All legal proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature involving the Transferor Company.

**l.** All the goodwill, past work experience, past track record, pre-qualifications and business credentials, accumulated experience or performance qualifications including financial, technical, manufacturing and other qualifications, past experience and credentials, business track record, work experience, etc., of the Transferor Company.

## 1.2 INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein will, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant statute/legislation. In this Scheme, unless the context otherwise requires:

**i.** Words denoting singular will include the plural and vice-versa.

**ii.** Heading, sub-heading and bold typeface are only for convenience and will not affect the construction or interpretation of this Scheme.

**iii.** References to clauses, and schedules are, unless the context otherwise requires, are references to clauses, and schedules to this Scheme.

**iv.** References to one gender includes all genders.

**v.** Any phrase introduced by the terms "including", "include", "in particular" or any similar expression will be construed as illustrative and will not limit the sense of the words preceding those terms.

**vi.** Reference to days, months and years are to calendar days, calendar months and calendar years as per the English calendar, respectively.

**vii.** Any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form.

**viii.** Where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words.

**ix.** All references in this Scheme to statutory provisions shall be construed as meaning and including references to:

**a.** Any statutory modification, consolidation or re-enactment made after the date of approval of this Scheme by the Board of Directors of the respective Companies and for the time being in force.

**b.** All subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated).

**c.** All statutory instruments or orders made pursuant to a statutory provision.

**d.** Any statutory provisions of which these statutory provisions are a consolidation, re-enactment, or modification.

## 1.3 SHARE CAPITAL

**i.** Capital Structure of the Transferor Company as on 23rd December, 2024, being the date of approval of the Scheme by the Board of Directors, is given below:

| Particulars | Amount (INR) |
|---|---|
| **Authorised Capital** | |
| 17,50,00,000 Equity Shares of ₹1 each | 17,50,00,000 |
| 1,65,000 (16.5%) Cumulative Redeemable Preference Shares of ₹100 each | 1,65,00,000 |
| 14,35,000 (4%) Non-cumulative Redeemable Preference Shares of ₹100 each | 14,35,00,000 |
| **Total** | **33,50,00,000** |
| **Issued, Subscribed and Paid-up Capital** | |
| 11,30,33,000 Equity Shares of ₹1 each fully paid-up | 11,30,33,000 |
| 12,00,000 (4%) Non-cumulative Redeemable Preference Shares of ₹100 each | 12,00,00,000 |
| **Total** | **23,30,33,000** |

**ii.** Further, as on the date of approval of this Scheme by the Board of Directors, i.e., as on 23rd December, 2024, the Transferor Company has 89,82,000 outstanding Convertible Warrants exercisable into equal number of Equity Shares of the Company to be ranked pari passu with the existing Equity Shares of the Company. The issued, subscribed and paid-up share capital of the Transferor Company will change upon exercise of the aforesaid Warrants. It is however, clarified that such change in the issued and paid-up share capital of the Transferor Company will not have any impact on the exchange ratio proposed for the present Scheme of Amalgamation.

**iii.** Capital Structure of the Transferee Company as on 23rd December, 2024, being the date of approval of the Scheme by the Board of Directors, is given below:

| Particulars | Amount (INR) |
|---|---|
| **Authorised Capital** | |
| 3,55,00,000 Equity Shares of ₹10 each | 35,50,00,000 |
| **Total** | **35,50,00,000** |
| **Issued, Subscribed and Paid-up Capital** | |
| 3,04,52,934 Equity Shares of ₹10 each fully paid-up | 30,45,29,340 |
| 47,01,755 Equity Shares of ₹10 each partly paid-up to the extent of ₹3.10 per share | 1,45,75,441 |
| **Total** | **31,91,04,781** |

**iv.** The Transferor Company is a public limited listed company. Equity Shares of the Transferor Company are listed on BSE Limited. Whereas the Transferee Company is a closely held public limited un-listed company. Both the Companies are Group Companies under common management and control. The proposed Scheme of Amalgamation will not result in any change in management or control of the Transferee Company.

**v.** On Amalgamation, the Transferee Company will be listed on BSE Limited in terms of the SEBI Listing Regulations and SEBI Scheme Circular and other applicable provisions, if any.

**vi.** There will not be any change in the issued and paid-up share capital of the un-listed Transferee Company during the pendency of the Scheme till the Record Date. Promoter/Promoter Group of the un-listed Transferee Company will not transfer any shares to any other person till the Effective Date of Scheme. In case any such transfer takes place, the Acquirer(s) shall be classified as the Promoter post-Scheme and provisions of lock-in shall apply to such Acquirer(s). Further, there shall not be any change in the Shareholding Pattern of the un-listed Transferee Company between the Record Date and listing.

**vii.** Entire issued and paid-up Preference Share Capital of the Transferor Company consisting of 12,00,000 (4%) Non-cumulative Redeemable Preference Shares of ₹100 each aggregating to ₹12,00,00,000, is held by the Transferee Company. Further, entire partly paid Equity Shares issued by the Transferee Company consisting of 47,01,755 Equity Shares of ₹10 each partly paid-up, are held by the Transferor Company. It is confirmed that there will be no change in aforesaid cross holding between the Transferor Company and the Transferee Company during the pendency of this Scheme till the Record Date. It is, accordingly, clarified that upon the Scheme becoming effective, the abovementioned crossholding of shares between the Transferor Company and the Transferee Company shall stand cancelled.

## 2. TRANSFER AND VESTING OF UNDERTAKING(S)

**2.1** Upon the Scheme becoming effective and with effect from the commencement of business on the Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 & 232 of the Act, and other applicable provisions, if any, the whole of the Undertaking of the Transferor Company shall stand transferred to the Transferee

Company on a going concern basis and all assets, liabilities, contracts, arrangements, employees, Permits, licenses, registrations, enlistment, records, no objection certificates, approvals, credentials, litigations, etc., of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licenses, registrations, enlistment, records, approvals, etc., of the Transferee Company by virtue of, and in the manner provided in this Scheme.

**2.2** Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:

2.2.1 All assets of the Transferor Company that are movable in nature and/or otherwise capable of transfer by physical or constructive delivery, novation and/or by endorsement and delivery or by operation of law shall be vested in and/or deemed to be vested in the Transferee Company from the Appointed Date. Upon this Scheme becoming effective, the title of such property shall be deemed to have been mutated and recognised as that of the Transferee Company, absolutely and forever, from the Appointed Date.

2.2.2 In respect of such of the assets of the Transferor Company other than those referred to in Clause '2.2.1' above, including investment in shares or any other securities, actionable claims, outstanding loans and advances, earnest monies, receivables, bills, credits, if any, recoverable in cash or in kind or for value to be received all kind of banking accounts including but not limited to current and saving accounts, term deposits, deposits, if any, with Appropriate Authority and other authorities and bodies, shall, without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as on the Appointed Date. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard. The Transferee Company (without it being obliged to do so), if it deems appropriate, may give notice in such form as it deems fit and proper, to each such debtor or obligor or any other Person, that pursuant to the sanction of the Scheme, such investment, debt, loan, advance, claim, bank balance, deposit or other asset be aid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realize all such debts (including the debts payable by such debtor or obligor or any other Person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other Persons to record such change.

2.2.3 With effect from the Appointed Date, all immovable properties of the Transferor Company, including land together with the heavy equipment, plant & machinery, buildings and structures standing thereon or embedded to the land and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights, security deposits and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Transferee Company on the same terms and conditions, by operation of Law pursuant to the sanctioning of the Scheme. Such

assets shall stand vested in the Transferee Company and shall be deemed to be and become the property as an integral part of the Transferee Company by operation of Law. The Transferee Company shall upon the NCLT Order sanctioning the Scheme and upon the Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties including refund of any security deposits and shall be liable to pay appropriate rent, rates and taxes and fulfill all obligations in relation thereto or as applicable to such immovable properties. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Transferee Company and shall be constituted as a deemed mutation and substitution thereof. The Transferee Company shall upon the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold properties shall without any further act, instrument or deed, be vested in or be deemed to have been vested in the Transferee Company.

2.2.4 With effect from the Appointed Date, all assets, brands, trademarks, patents, rights, title, interests and investments of the Transferor Company shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company.

2.2.5 With effect from the Appointed Date, all debts (secured and unsecured), liabilities, bonds, debentures (including contingent liabilities), duties and obligations of every kind, nature and description of the Transferor Company shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, bonds, debentures (including contingent liabilities), duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company. Further, it shall not be necessary to obtain the Consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause. Necessary modification, as may be required would be carried out to the debt instrument issued by the Transferor Company, if any.

2.2.6 Upon this Scheme becoming effective, the secured creditors of the Transferor Company and/or other holders of Encumbrance over the properties of the Transferor Company shall be entitled to encumbrance only in respect of the properties, assets, rights, benefits and interest of the Transferor Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company and the secured creditors of the Transferee Company and/or other holders of encumbrance over the properties of the Transferee Company shall be entitled to encumbrance only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company

with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company with the Transferee Company, (a) the secured creditors of the Transferor Company and/or other holders of encumbrance over the properties of the Transferor Company shall not be entitled to any additional encumbrance over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets which are not currently encumbered shall remain free and available for creation of any encumbrance thereon in future in relation to any current or future indebtedness of the Transferee Company; and (b) the secured creditors of the Transferee Company and/or other holders of encumbrance over the properties of the Transferee Company shall not be entitled to any additional encumbrance over the properties, assets, rights, benefits and interest of the Transferor Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any encumbrance thereon in future in relation to any current or future indebtedness of the Transferee Company.

2.2.7 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts, demat accounts, if any, of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in relation to the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions. Further, the Transferee Company, if so required, shall also be entitled to maintain one Bank Account in the name of the Transferor Company to enable it to deposit/encash any payment or refund received in the name of the Transferor Company. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account(s) (in the name of the Transferor Company) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the Transferor Company. Such bank account will not be used for normal banking transactions.

2.2.8 With effect from the Effective Date, the security creation, borrowing and investment limits of the Transferee Company under the Act shall be increased to the extent of the security creation, borrowing and investment limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.

2.2.9 Any corporate approvals obtained by the Transferor Company, whether for the purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

2.2.10 All Governmental Approvals, Customer Approvals and other consents, permissions, quotas, rights, authorizations, entitlements, no objection certificates and licenses, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled to use or which may be required to carry on the operations

of the Transferor Company, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Appropriate Authority in favour of the Transferee Company. In so far as the various incentives, GST benefits /service tax benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status, rights, and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other Person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions as are available to the Transferor Company.

2.2.11 With effect from the Appointed Date, all registrations, licenses, trademarks, brands, copyrights, domain names, patents, tradenames, industrial designs, product registrations and any other intellectual property pertaining to the Transferor Company, including any pending application for the aforesaid, if any, shall stand vested in the Transferee Company without any further act, instrument or deed, upon the sanction of the Scheme.

2.2.12 Upon the Scheme becoming effective, all the goodwill, past experience, past track record and business credentials, etc., gained by the Transferor Company shall be transferred to and vest in the Transferee Company. Accordingly, for the purpose of entering into any contract, tenders, bid documents, expression of interest, memorandum of understanding, agreements or any other purpose, the experience, track record and credentials gained by the Transferor Company shall considered to be equivalent as the experience, track record and credentials of the Transferee Company.

2.2.13 All Taxes (including but not limited to advance tax, self-assessment tax, regular tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, value added tax, sales tax, service tax, goods and service tax etc.) paid or payable by or refunded or refundable to the Transferor Company with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims, etc. as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible such as under Section 40, 40A, 43B, etc., of the IT Act, exemptions, credits, holidays, remissions, reductions, service tax input credits, GST input credits, etc., as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. This Clause to be read along with Clause 3 of this Scheme.

2.2.14 All the Customers of the Transferor Company, any Governmental Authority, Appropriate Authority or any other third party required to give effect to any provisions of this Scheme, shall take on record the NCLT Order sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the

Transferee Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective. For this purpose, the Transferee Company shall file certified copies of such NCLT Order and if required, file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental Approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, tenders, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on the business or in connection therewith), and certificates of every kind and description of whatsoever nature.

2.2.15 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that with effect from the Appointed Date, all consents, permissions, certificates, clearances, authorities, power of attorneys given by, issued to or in favour of the Transferor Company shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.

2.2.16 The Transferee Company shall, at any time after coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Appropriate Authority, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

2.2.17 With effect from the Effective Date, all inter se contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company.

2.2.18 With effect from the Effective Date, there will be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Company and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date, there will be no accrual of interest or other charges in respect of any inter se loans, deposits or balances between the Transferor Company and the Transferee Company.

2.2.19 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant consents, approvals, patents, permissions, customer orders, tenders, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Board of Directors of the Transferor Company and the Transferee Company shall be deemed to be

authorized to execute or enter into necessary documentations with any Appropriate Authority or third parties, if applicable and the same shall be considered as giving effect to the NCLT Order and shall be considered as an integral part of this Scheme. Further, the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any Appropriate Authority or third parties, if applicable, on behalf of the Transferor Company and to carry out or perform all such formalities or compliance required for the purpose of implementation of the provisions of the Scheme.

2.2.20 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Transferor Company at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/ payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Transferee Company after the Effective Date.

2.2.21 All other assets & liabilities of the Transferor Company, which may not be specifically covered in the aforesaid Clauses, shall also stand transferred to the Transferee Company with effect from the Appointed Date.

## 3. TAXES, DUTIES, CESS, ETC.

**3.1** On or after the Effective Date, the Companies shall have the right to revise their respective financial statements, returns and tax returns along with the prescribed forms, filings and annexures under the provisions of IT Act (including for the purpose of re-computing income-tax under the normal provisions, minimum alternative tax, and claiming other tax benefits), Wealth Tax Act, 1957, customs duty law, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and services tax, VAT law or other tax laws, and to claim refunds and/or credits for Taxes paid (including minimum alternate tax, tax deducted at source, tax collected at source, goods and service tax etc.), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

**3.2** As and from the Effective Date, all tax proceedings of the Transferor Company shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, all tax proceedings shall not in any way be prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

**3.3** Any Tax liabilities under the Income Tax Act, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax, VAT law or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made

as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, tax collected at source, and MAT credit as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

**3.4** Any refund under the IT Act including TDS and TCS, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax including TDS and TCS, Duty drawback or any export benefits, VAT law or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company or due to Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

**3.5** Any tax payment (including, without limitation, income-tax, minimum alternate tax and income tax credits, taxes withheld/ paid in a foreign country, dividend distribution tax, securities transaction tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax etc.) whether by way of deduction/collection at source, advance tax or otherwise, howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company/the Transferee Company including on payables to the Transferee Company/the Transferor Company including on account of investments (if any) held by the Transferee Company in the Transferor Company which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

**3.6** Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the IT Act, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax, VAT law or other applicable laws/ regulations dealing with taxes/ duties/ levies shall be made or deemed to have been made and duly complied with by the Transferee Company.

**3.7** All deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as under Sections 40, 40A, 43B, etc., of the IT Act) shall be available for deduction to the Transferee Company as it would have been available to the Transferor Company.

**3.8** Subject to the provisions of Section 72A of the IT Act, the accumulated losses and the allowance for unabsorbed depreciation of the Transferor Company, as the case may be, shall be deemed to be the loss and the allowance for unabsorbed depreciation of the Transferee Company.

**3.9** Further, the losses and unabsorbed depreciation as per books of account of the Transferor Company as on the date immediately preceding the Appointed Date shall be deemed to be the brought forward losses and unabsorbed depreciation of the Transferee Company for the purpose of computation of book profit to calculate the minimum alternate tax payable by the Transferee Company, in accordance with the applicable provisions of the IT Act.

**3.10** Without prejudice to the generality of the above, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, taxes withheld/ paid in a foreign country, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, goods and service tax, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company upon coming into effect of this Scheme.

## 4. PERMITS

**4.1** With effect from the Appointed Date, all the Permits, registrations, enlistment, and approvals held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of Sections 230 & 232 of the Act, shall be transferred to and vested in the Transferee Company and shall stand transferred to and vested in or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. The benefits and obligations of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to the Transferee Company, pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, Government body, local authority or by any other Person, or availed of by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company, on the same terms and conditions. Upon the vesting and transfer of the Undertaking pursuant to this Scheme, all the concerned licensor and grantors of such Permits shall promptly mutate, endorse and/or transfer where necessary, and record the Transferee Company on such Permits so as to empower and facilitate the transfer and vesting of the Undertaking in the Transferee Company and continuation of operations pertaining to the Undertaking in the Transferee Company without any hindrance.

**4.2** Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business under the relevant Permit, license and/or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

## 5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

**5.1** Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, understandings whether written or oral and other instruments, if any, of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect on the Appointed Date, without any further act, instrument or deed, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectively as if, instead of

the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.

**5.2** Without prejudice to other provisions of this Scheme and notwithstanding the fact that the vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, novation agreement, other writings or arrangements with any party to any contract or arrangement to which the Transferor Company was a party or any writings as may be necessary in order to give format effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

**5.3** On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company, on behalf of the Transferor Company, in so far as may be necessary until the transfer of rights and obligations of the Undertaking to the Transferee Company under this Scheme have been given effect to under such contracts and transactions.

## 6. LEGAL PROCEEDINGS

Upon this Scheme coming into effect, if any suit, appeal or other legal proceeding including quasi-judicial, arbitral and other administrative proceedings, if any, of whatsoever nature by or against the Transferor Company is pending on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not been made.

## 7. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Undertaking into the Transferee Company and continuance of proceedings by or against the Transferee Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Transferor Company before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

## 8. DISSOLUTION OF TRANSFEROR COMPANY

On this Scheme becoming effective, the Transferor Company shall stand dissolved without the process of winding up.

## 9. STAFF, WORKMEN AND EMPLOYEES OF TRANSFEROR COMPANY

**9.1** On the Scheme becoming effective, all staff, workmen and employees, of the Transferor Company in service on the Effective Date, shall become and deemed to have become staff, workmen and employees of the Transferee Company on such date without any break or interruption in their service and on the basis of continuity of service, and upon terms

and conditions not less favorable than those applicable to them in the Transferor Company on the Effective Date.

**9.2** On the Scheme becoming effective, Provident Fund, Gratuity Fund, trust, scheme or benefits created or existing for the benefit of the employees of the Transferor Company, if any, shall be continued on the same terms or conditions or be transferred to the existing provident fund, employee state insurance contribution, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose and the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such trusts, funds or schemes shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid trusts, funds, scheme or provisions.

## 10. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY

From the Appointed Date until the Effective Date,

**10.1** The Transferor Company shall stand possessed of all the assets and properties referred to in Clause 2.1 above, in trust for the Transferee Company. Accordingly, any asset or property acquired by the Transferor Company, on or after the Appointed Date, shall be deemed to be the assets and properties of the Transferee Company.

**10.2** The Transferor Company shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company.

**10.3** Any income or profit accruing to the Transferor Company and all costs, charges and expenses or loss arising or incurring by the Transferor Company on and from the Appointed Date shall, for all purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.

**10.4** Any of the rights, powers, authorities, privileges exercised by the Transferor Company shall be deemed to have been exercised by such Transferor Company for and on behalf of, and in trust for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Company shall be deemed to have been undertaken for and on behalf of the Transferee Company.

**10.5** All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations which arise or accrue to the Transferor Company on or after the Appointed Date, shall be deemed to be of the Transferee Company.

**10.6** The Transferor Company shall not, without the prior written consent of the Board of Directors of the Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any undertaking or any part thereof except in the ordinary course of its business.

## 11. CONSIDERATION FOR AMALGAMATION

**11.1** Equity Shares: Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot Equity Share(s) to the Equity Shareholders of the Transferor Company, whose names appear in the Register of Members/list of Beneficial Owners as received from the Depositories as on the Record Date, in the following ratio:

**i.** The Transferee Company-Shiva Texfabs Limited will issue 0.213 (zero point two one three) Equity Share of ₹10 each, credited as fully paid-up, to the Equity Shareholders of the Transferor Company for every 1 (one) Equity Share of ₹1 each held in the Transferor Company-Rudra Ecovation Limited.

**11.2** Fractional entitlements, if any, shall be aggregated and held by a trust, nominated by the Board of Directors of the Transferee Company, in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the Scheme. The Transferee Company shall submit to the Designated Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the Transferee Company has compensated the eligible shareholders against their respective fractional entitlement, within a period of seven days of compensating the shareholders.

**11.3** Convertible Warrants: As mentioned in Clause 1.3 'ii' of this Scheme, the Transferor Company has issued Convertible Warrants exercisable into equal number of Equity Shares of the Transferor Company. Upon the Scheme finally coming into effect, these Convertible Warrants will be treated in the following manner:

i. Convertible Warrants which are already converted into Equity Shares of the Transferor Company on or before the Record Date of the present Scheme:

   The Transferee Company will issue its Equity Shares in lieu of the Equity Shares issued in the Transferor Company on conversion of Convertible Warrants in the ratio of 0.213:1, as mentioned in Clause 11.1 above.

ii. Convertible Warrants which are outstanding in the Transferor Company as on the Record Date of the present Scheme:

   The Transferee Company will issue 0.213 (zero point two one three) Convertible Warrant to the Warrant Holders of the Transferor Company for every 1 (one) Convertible Warrant held in the Transferor Company. Subsequently, all such convertible warrants, issued in the Transferee Company in the aforesaid manner, shall be eligible to get 1 (one) Equity Share in the Transferee Company for every 1 (one) Convertible warrant.

**11.4** Any fraction of warrant arising out of the aforesaid exchange process, if any, will be rounded off to nearest whole number.

**11.5** Preference Shares: Entire issued and paid-up Preference Share Capital of the Transferor Company is held by the Transferee Company only.

Upon the Scheme finally coming into effect, entire issued and paid-up Preference Share Capital of the Transferor Company will be cancelled as crossholding. Hence, no new share will be issued in lieu of the Preference Shares.

**11.6** New Equity Shares to be issued in terms of Clause 11.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. New Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.

**11.7** All the terms and conditions of new Convertible Warrants issued by the Transferee Company pursuant to this Scheme shall remain the same as in the Transferor Company. Accordingly, on amalgamation, the Convertible Warrant Holders will have the same rights and obligations as they had in the Transferor Company. It is, however, clarified that the balance amount payable on conversion of such Convertible Warrants into Equity Shares in the Transferee Company will remain the same on gross basis as would have been payable in the Transferor Company. Quantum of balance amount payable would not be impacted due the fact that lesser number of Convertible Warrants are issued by the Transferee Company pursuant to the Scheme. The lock-in period and the tenure of the Convertible Warrants to be issued by the Transferee Company shall continue in the Transferee Company, for the remaining period as per the original terms of issue in the Transferor Company.

Example:

| **Particulars** | **Value** |
|---|---|
| Number of Convertible Warrants held in the Transferor Company | 1,000 |
| Issue Price in the Transferor Company (INR per Convertible Warrant) | 48 |
| Upfront payment already made in the Transferor Company at the time of issuance of Convertible Warrants (@25% of Issue Price) (INR per Convertible Warrant) | 12 |
| Balance amount payable at the time of conversion into Equity Shares (INR per Convertible Warrant) | 36 |
| Total balance amount payable at the time of conversion into Equity Shares in the Transferor Company before the Scheme is effective | 36,000 |

In case, the conversion into Equity Shares is made after the Scheme is effective, the following scenario will emerge:

| | |
|---|---|
| Convertible Warrants to be issued in the Transferee Company pursuant to the Scheme | 213 |
| Total balance amount payable at the time of conversion into Equity Shares in the Transferee Company after the Scheme is effective | 36,000 |

**11.8** The issue and allotment of New Equity Shares and Convertible Warrants by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of fresh Equity Shares and Convertible Warrants in terms of this Scheme.

**11.9** In the event there being any pending share transfer(s), the Board of Directors of the Transferor Company or the Transferee Company or any committee thereof, will be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferor Company as if such changes in the registered holders were operative on the Record Date, in order to remove any difficulty arising on account of such transfer and in relation to shares to be issued to the shareholders of the Transferor Company pursuant to this Scheme.

**11.10** Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any shares of the Transferor Company, which are held in abeyance under the provisions of the Act or otherwise, will be held in abeyance by the Transferee Company.

**11.11** New Equity Shares to be issued by the Transferee Company to the shareholders of the Transferor Company in terms of this Scheme, will be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferor Company. All those equity shareholders who hold shares of the Transferor Company in physical form, shall receive New Shares in the Transferee Company in dematerialized form only, provided that the details of their account with the depository participant are intimated in writing to the Transferee Company and provided such intimation has been received by the Transferee Company at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Transferor Company in physical form at least 7 (seven) days before the Record Date, the Transferee Company shall keep such shares in abeyance/escrow account/suspense account/with a trustee nominated by the Board of the Transferee Company for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Transferee Company and/or its registrar, if permitted under Applicable Law.

**11.12** It is clarified that in the event of any change in the capital structure of the Transferor Company or the Transferee Company such as share split or consolidation of shares, issue of bonus shares, rights issue or other similar action; or any material accounting changes at any time before the Record Date; the Share Exchange Ratio as specified in Clause 11.1 and 11.3 of this Scheme, may be suitably adjusted for such changes, if and to the extent required, with mutual consents of the Board of Directors of the Transferor Company and Transferee Company. Any such adjustment in the Share Exchange Ratio will be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of the Transferor Company and the Transferee Company. It is clarified that the aforesaid stipulation will not apply on change in issued capital of the Transferor Company on conversion of Convertible Warrants into Equity Shares.

**11.13** It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Transferee Company will not apply to the share application money, if any, which may remain outstanding in the Transferor Company as on the Record Date.

## 12. UPON THIS SCHEME BECOMING EFFECTIVE

**12.1** Entire Issued Share Capital and share certificates of the Transferor Company will automatically stand cancelled. Shareholders of the Transferor Company will not be required to surrender the Share Certificates held in the Transferor Company.

**12.2** Cross holding of shares as on the Record Date between the Transferor Company and the Transferee Company, if any, will stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor Company and the Transferee Company, as the case may be, and sanction by the Tribunal under Sections 230 & 232 of the Companies Act, 2013, will be sufficient compliance with the provisions of Section 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any. However, such reduction would not involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital.

**12.3** The authorised share capital of the Transferor Company will be added to and will form part of the authorised share capital of the Transferee Company. Accordingly, the authorised Equity Share Capital of the Transferee Company will stand increased to the extent of the aggregate authorised share capital of the Transferor Company as on the Effective Date. In terms of the provisions of Section 232(3)(i) of the Companies Act, 2013, and other applicable provisions, if any, the aggregate fees paid by the Transferor Company on the authorised capital will be set-off against the fees payable by the Transferee Company on the increase in the authorised share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee, if any, on the aforesaid increase in the authorised share capital after deducting the aggregate fees paid by the Transferor Company on the pre-merger authorised share capital.

Clause V/Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company will stand modified to give effect to the aforesaid increase in the authorised share capital of the Transferee Company. Approval of the present Scheme of Amalgamation by the Shareholders of the Transferor/Transferee Companies will be sufficient for the aforesaid modification in Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company and no further approval will be required for the same.

**12.4** Save as provided in this Scheme, the Transferee Company will increase/modify its Authorized Share Capital to implement the terms of this Scheme, to the extent necessary. It is, however, clarified that approval of the present Scheme of Amalgamation by the Shareholders of the Transferee Company will be sufficient for such modification/ increase in the authorised share capital and no further approval from the Shareholders or any other person will be required for the same.

**12.5** Upon this Scheme becoming effective, name of the Transferee Company will be replaced with the name of the Transferor Company. Accordingly, on this Scheme coming into effect, name of the Transferee Company will be changed to 'Rudra Ecovation Limited'. The Transferee Company will

comply with the applicable provisions of the Companies Act, 2013, and other applicable provisions, if any, in connection with the aforesaid change of name. Further, the Transferee Company will make necessary application(s) and file the requisite form(s) in this regard. The concerned Registrar of Companies and other Competent Authorities, if any, will give necessary approval for the aforesaid change of name.

**12.6** Upon this Scheme becoming effective, the Transferee Company and/or the Transferor Company will take necessary steps for the smooth and uninterrupted transition/transfer of undertaking and business of the Transferor Company on amalgamation. Without prejudice to the generality of the aforesaid, following are the salient features/chronology to be followed in this regard:

**i.** Upon the Scheme becoming effective, the Transferee Company will inform approval of this Scheme of Amalgamation by the Hon'ble NCLT to the customers of the Transferor Company, concerned Appropriate Authority, and other relevant third parties which will promptly give effect to the amalgamation in their records and will do the needful to give effect to this Scheme of Amalgamation.

**ii.** All the customers of the Transferor Company, all concerned Appropriate Authority and relevant third parties will take note of the same and will take all necessary steps to give effect to the Scheme of Amalgamation including but not limited to changing the name of the Transferor Company with the Transferee Company, details of the bank account(s) of the Transferor Company will be replaced with that of the Transferee Company.

**iii.** It is clarified that no adverse action will be taken against the Transferee Company for any delay in action taken by the customers, concerned Appropriate Authority and relevant third parties in giving effect of the sanction of this Scheme.

## 13. ACCOUNTING TREATMENT FOR AMALGAMATION

**13.1** Upon the Scheme becoming effective, Amalgamation of the Transferor Company with the Transferee Company and other connected matters will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.

**13.2** The Transferee Company shall give effect of the proposed Amalgamation in its books of accounts in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.

**13.3** Without prejudice to the generality of the aforesaid, following are the salient features of the accounting treatment to be given:

**i.** All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective values as per Ind AS/Accounting Standard as on the Appointed Date.

**ii.** To the extent, there are any inter-corporate loans, advances, payable/receivable or any other inter-company balances between the Transferor Company and the Transferee Company, the rights and obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company. Similarly, any cross holding of shares, as on the Record Date, between the Transferor Company and the Transferee Company, if any, shall also stand cancelled.

**iii.** All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor and Transferee Companies will also be clubbed together.

**iv.** Any deficit arising out of Amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be adjusted against reserves and surplus, in that order, in the books of the Transferee Company. Whereas any surplus arising out of Amalgamation (including on account of cancelling of cross holdings or any other inter-company balances) shall be credited to capital reserve.

**v.** Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the Amalgamation.

**13.4** It is, however, clarified that the Board of Directors of the Transferee Company, in consultation with the Statutory Auditors, may account for the present Amalgamation and other Scheme matters in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

## 14. COMPLIANCE WITH TAX LAWS

**14.1** The provisions of this Scheme relating to Amalgamation have been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) read with other applicable provisions of the Income Tax Act, 1961.

**14.2** It is clarified that the present Scheme of Amalgamation will result in the following:

**i.** All the property and assets of the Transferor Company immediately before the Amalgamation shall become the property and assets of the Transferee Company by virtue of the Amalgamation.

**ii.** All the liabilities of the Transferor Company immediately before the Amalgamation shall become the liabilities of the Transferee Company by virtue of the Amalgamation.

**iii.** The Transferee Company will issue, in consideration of the Amalgamation, its shares, credited as fully paid, to the shareholders of the Transferor Company on a proportionate basis except the cross holding.

**iv.** Shareholders holding not less than three-fourths in value of the shares in the Transferor Company (other than shares already held therein immediately before the Amalgamation by, or by a nominee for, the Transferee Company or its subsidiary) shall become shareholders of the Transferee Company by virtue of the amalgamation.

**v.** Amalgamation of the Transferor Company and transfer of Undertaking with and into the Transferee Company shall be on a going-concern basis.

**14.3** It is clarified that if, at a later date, any of the terms or provisions of the Scheme relating to Amalgamation are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of Section 2(1B) of the Income Tax Act, 1961, or corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961 or such newly enacted law or new legislation. Such modifications will, however, not affect the other provisions of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

## 15. LISTING OF THE TRANSFEREE COMPANY AND COMPLIANCE WITH SEBI REGULATIONS

**15.1** Equity Shares of the Transferor Company are presently listed on BSE. In terms of the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Listing Regulations, Listing Agreement, SEBI Scheme Circular, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, the Transferee Company will be listed on the BSE Limited and on any other Stock Exchange on which the Equity Shares of the Transferor Company are listed as on the Effective Date.

**15.2** Upon this Scheme becoming effective and in terms of the SEBI Listing Regulations and SEBI Scheme Circular and other applicable provisions, if any, entire post-merger issued Equity Share Capital of the Transferee Company including New Equity Shares to be issued by the Transferee Company to the Shareholders of the Transferor Company pursuant to this Scheme, shall be listed on BSE and on any other Stock Exchange on which the Equity Shares of the Transferor Company are listed as on the Effective Date.

**15.3** The Transferee Company will make necessary application(s) to the Stock Exchange, SEBI and other Appropriate Authority, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Scheme Circular, Listing Agreement, SEBI Regulations, and other applicable provisions, if any, in this regard. The concerned Stock Exchange(s) and SEBI, shall, on receipt of listing application(s) and other documents, promptly grant necessary approval(s) and list the Transferee Company.

**15.4** Post Scheme, the entire Pre-Scheme Share Capital of the unlisted Transferee Company shall be locked in the following manner:

i. Shares held by Promoters up to the extent of twenty percent of the post-Scheme paid-up capital of the Transferee Company, shall be locked-in for a period of three years from the date of listing of the shares of the Transferee Company;

ii. The remaining pre-scheme shares shall be locked-in for a period of one year from the date of listing of the shares of the Transferee Company.

It is clarified that the aforesaid lock-in conditions may be modified by the SEBI, Stock Exchange or any other Appropriate Authority.

**15.5** It is clarified that the shares locked-in under the aforesaid Clause may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution if pledge of shares is one of the terms of sanction of the loan.

**15.6** It is further clarified that the shares locked-in under the aforesaid Clause may be transferred 'inter-se' among promoters in accordance with the provisions of the SEBI Regulations.

**15.7** Pre-Scheme Shares of the Transferee Company as well as new Shares allotted by the Transferee Company pursuant to this Scheme will remain frozen in the depositories system till listing/trading permission is given by the Designated Stock Exchange. The Transferee Company will comply with the applicable provisions in this regard.

**15.8** In terms of the provisions of the SEBI Listing Regulations, SEBI Scheme Circular, and other applicable provisions, if any, the present Scheme of Amalgamation is required to be approved by Public Shareholders (i.e., Equity Shareholders other than those forming part of Promoters and Promoters' Group) of the Listed Transferor Company by passing a Resolution through e-voting and other means, as may be applicable. Further, in terms of the provisions of the SEBI Scheme Circular, the Scheme is conditional upon the Scheme being approved by the public shareholders of the Transferor Company through e-voting and other means, as may be applicable. It is accordingly clarified that the Scheme will be acted upon only if vote cast by the Public Shareholders of the Transferor Company in favour of the Scheme are more than the number of votes cast by the Public Shareholders of the Transferor Company against it.

**15.9** Notwithstanding above, the Transferor Company and the Transferee Company will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Listing Regulations, SEBI Scheme Circular, Listing Agreement, SEBI Regulations, and other applicable provisions, if any, in connection with this Scheme and other connected matters.

**15.10** BSE will act as the Designated Stock Exchange for the purposes of this Scheme.

## 16. NO COMPROMISE WITH CREDITORS

The present Scheme in no way, is a scheme of compromise with the creditors and is not, in any way, adversely affecting the rights of the creditors. Further, the present Scheme is not a scheme of corporate debt restructuring as envisaged under Section 230(2)(c) of the Act. Aggregate assets of the Transferor Company and the Transferee Company are more than sufficient to meet the liabilities of the respective creditors in full.

## 17. APPLICATION/PETITION TO THE NATIONAL COMPANY LAW TRIBUNAL AND APPROPRIATE AUTHORITY

**17.1** The Transferor Company will make necessary application(s)/ petition(s) under the provisions of Sections 230 & 232 and other relevant provisions of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme, dissolution of the Transferor Company without the process of winding up and other connected matters.

**17.2** The Transferee Company will make necessary application(s)/ petition(s) under the provisions of Sections 230 & 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate Bench(es) of the Hon'ble National Company Law Tribunal and other Appropriate Authority, if any, for sanctioning of this Scheme and other connected matters.

**17.3** It is clarified that pending the sanction of the Scheme, the Transferor Company and/or the Transferee Company shall be entitled to apply to any Appropriate Authority, customers or any third party for such consents, approvals, sanction or process which may be required under any Applicable Law to own the assets and/or liabilities or to carry on the business of the Transferor Company or that may otherwise be required to give effect to any provision of this Scheme.

## 18. MODIFICATIONS/AMENDMENTS TO THE SCHEME

**18.1** The Transferor Company and the Transferee Company, through their respective Board of Directors, may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Board of Directors of these Companies and resolve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

**18.2** For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferee Company may give and is authorized to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all the Companies and third parties, in the same manner as if the same were specifically incorporated in this Scheme.

## 19. SEVERABILITY

If any part and/or provision of this Scheme is invalid, ruled illegal by any court or tribunal of competent jurisdiction or unenforceable under present or future laws or is unworkable, then it is the intention of the Companies that such part and/or provision shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part and/or provision shall cause this Scheme to become materially adverse to any Company or Companies to the Scheme. In such case, subject

to the consent of the Board of Directors of the Companies, the Companies shall attempt to bring about a modification in the Scheme as will best preserve the benefits and obligations of the Scheme for all the Companies to the Scheme.

## 20. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes, duties, levies, fees and expenses, if any, to the extent applicable and payable in relation to or in connection with this Scheme or incidental to the completion of Amalgamation in pursuance of this Scheme, shall be borne and paid by the Transferee Company. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the Amalgamation exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.

***Legal Consultants of the Scheme:***

***Rajeev Goel & Associates***
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**Consolidated Share Swap Ratio**

**Of**

**Equity Shares**

**For the proposed merger**

**Between**

# M/s. RUDRA ECOVATION LIMITED and M/s.SHIVA TEXFABS LIMITED

**Prepared by:**
**SUBODH KUMAR**
**(IBBI REGISTERED VALUER)**
**Registration No: IBBI/RV/05/2019/11705**

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**Date: 17th December, 2024**

# Subodh Kumar
Registered Valuer (Securities or Financial assets)
Reg No: IBBI/RV/05/2019/11705

**Date: 17th December, 2024**

**The Board of Directors**

1. **RUDRA ECOVATION LIMITED**
   **(Hereinafter Referred to as "Transferor Company")**

**And**

2. **SHIVA TEXFABS LIMITED**
   **(Hereinafter Referred to as "Transferee Company")**

Dear Sir,

**Subject: -Report on recommendation of Share Swap ratio for the Proposed Merger of M/s. RUDRA ECOVATION LIMITED and M/S. SHIVA TEXFABS LIMITED.**

I, Subodh Kumar, Registered Valuer under the Companies Act, 2013 and having its IBBI Regn. No. IBBI/RV/05/2019/11705 (hereinafter referred to as ("Registered Valuer") has been mandate by the Board of Directors of aforementioned companies for valuation of Equity Shares to carry out the calculation of Share Swap ratio for the Proposed Merger of **M/s. RUDRA ECOVATION LIMITED and M/s. SHIVA TEXFABS LIMITED** (hereinafter collectively called as "Companies") under the provisions of Sections 230 To 232 & Section 52, Section 66 of the Companies Act, 2013 read with Companies (Compromises, Arrangements & Amalgamations) Rules, 2016.

The scope of services is to summarizing the valuation analysis and share swap ratio calculation as on **30th September, 2024** considering various data as stated in Source of Information in accordance with Valuation Standards for the limited purpose of compliance under the Companies Act, 2013 and may not be used for any other purpose.

Based on the Discussion with the management, we have considered the valuation cut- off date as closure of business hours of **30th September, 2024**.

**Scope of the Report:**

Our scope of services under this letter is restricted to the services specified in scope of work as above and does not cover any other services including, illustratively, the following:

- Legal advice, opinion and representation in any form;
- Accounting and taxation matters, opinion and representation in any form;

SUBODH KUMAR DELHI REGISTERED VALUER

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• Any other certification services. Reliance would be placed on the information that may be provided by the Company. We have not independently verified the accuracy of data provided to us for review. The valuation in the present case involves valuation of Equity Share of the Company is not envisaged pursuant to the Scheme. Therefore, this valuation is performed on a limited scope basis.

**Purpose of the Report:**

1. We have been informed that the Board of Directors of the Companies are considering a proposal for the merger of **M/s. RUDRA ECOVATION LIMITED and M/s. SHIVA TEXFABS LIMITED** under a Scheme of Amalgamation pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 ("Proposed Merger"). Subject to necessary approvals, **M/s. RUDRA ECOVATION LIMITED will be merged** into **M/s. SHIVA TEXFABS LIMITED** with effect from an **Appointed Date**. In consideration of the Proposed Merger, equity shares of **M/s. SHIVA TEXFABS LIMITED** are proposed to be issued to the equity shareholders of **M/s. RUDRA ECOVATION LIMITED.**

2. Pursuant to the Proposed Merger, the entire business undertaking including all the assets, liabilities, employees etc. of **M/s. RUDRA ECOVATION LIMITED** would be transferred and vested with and into **M/s. SHIVA TEXFABS LIMITED**.

3. For this purpose, we have carried out a valuation of **M/s. RUDRA ECOVATION LIMITED** (REL), and **M/s. SHIVA TEXFABS LIMITED** (STL), with a view to recommend ratio of equity shares of STL to be issued to the equity shareholders of REL for the consideration of the Board of Directors of the Companies.

4. The information contained herein, and our report is absolutely confidential. It is intended for the sole use and information of the Companies, and only in connection with the Proposed Merger.

5. Any person/ party intending to provide finance/ invest in the shares/ businesses of any of the Companies shall do so after seeking professional advice from their advisors and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Proposed Merger as aforesaid, can be done only with our prior permission in writing.



## BACKGROUND INFORMATION:

## M/S. RUDRA ECOVATION LIMITED (REL)

M/s RUDRA ECOVATION LIMITED, a company incorporated under the provisions of the Companies Act, 1956 (now 2013) having registered office Plot No. 43-44, Industrial Area, Barotowala, Himachal Pradesh, India, 174103. The CIN of the REL is L43292HP1980PLC031020.

**Share Capital**

| Sr. No. | Name | Amount in Rs. | |
|---|---|---|---|
| | | Authorised share capital (Rs.) | Issued, subscribed and paid capital (Rs.) |
| 1 | REL | **Equity Share**<br>**Rs. 17,50,00,000/- (17,50,00,000 shares of Rs.1/- each)**<br><br>**Preference Shares**<br>**Rs.16,500,000/- (1,65,000 16.5% Cumulative Redeemable Pref Share of Rs. 100 each.**<br><br>**Rs.143,500,000/- (14,35,000 4% Non-Cumulative Redeemable Pref. Shares of Rs.100 each** | **Equity Share**<br>**Rs. 110,950,000/- (110,950,000 shares of Rs.1/- each)**<br><br>**Preference Shares**<br>**Rs.120,000,000/- (12,00,000 4% Non-Cumulative Redeemable Pref. Shares of Rs.100 each** |

**NOTE 1**: The Investment in Rudra Ecovation Limited's (Transferor Company) 12,00,000 4% preference shares held by the Shiva Texfabs Limited (Transferee Company) is written off as part of the cross holding elimination process. This step is essential to ensure accurate consolidation of the companies financials, as it avoids the artificial inflation of assets and ensures that only external assets and liabilities are reflected in the combined company's books. The write off is a standard procedure in merger and acquisitions involving cross-holding between the companies involved.



**NOTE 2:** As of the Valuation Date, Rudra Ecovation Limited holds 11,065,000 warrants, which are expected to be exercised in the near future, However, it is important to note that the proceeds from the exercise of these warrants have not been included in the current valuation calculation.

## M/S. SHIVA TEXFABS LIMITED (STL)

M/s SHIVA TEXFABS LIMITED, a company incorporated under the provisions of the Indian Companies Act, Act, 1956 (2013) having registered office at 4th Floor, Woodstock Tower, B-35/958, Adarsh Nagar Ferozepur Road, Opposite Waves Mall, Ludhiana, Punjab, India, 141008. The CIN of the STL is U18101PB1993PLC013745.

**Share Capital**

| Sr. No. | Name | Amount in Rs. | |
|---|---|---|---|
| | | Authorised share capital (Rs.) | Issued, subscribed and paid capital (Rs.) |
| 1 | STL | Equity Share<br>Rs. 35,50,00,000/- (3,55,00,000 shares of Rs.10/- each) | Equity Share<br>Rs. 35,15,46,890/- (3,51,54,689 shares of Rs.10/- each)<br><br>Rs.1,45,75,440.50/-(Calls Unpaid 47,01,755 No. of Equity Shares @ Rs. 6.90) |

**NOTE 1**: The Investment in Shiva Texfabs Limited (Transferee Company) 23,39,181 fully paid equity shares and 47,01,755 partly paid equity shares held by the Rudra Ecovation Limited (Transferor Company) is written off as part of the cross-holding elimination process. This step is essential to ensure accurate consolidation of the company's financials, as it avoids the artificial inflation of assets and ensures that only external assets and liabilities are reflected in the combined company's books. The write off is a standard procedure in merger and acquisitions involving cross-holding between the companies involved.



## SOURCES OF INFORMATION:

For the purposes of the valuation exercise, we have relied upon the following sources of information:

(a) Discussion and indications on Draft Scheme of arrangement of REL, STL and their respective shareholders;
(b) Unaudited annual accounts of REL and STL for the financial year ended 30th September, 2024;
(c) Brief overview of REL, STL and their past and current operations;
(d) Other information provided as well as discussions held with the management and other personnel of the Companies; and
(e) Published and secondary sources of data whether or not made available by the Companies.

## PROCEDURE ADOPTED AND VALUATION METHOD(S) FOLLOWED FOR THE ASSIGNMENT:

### I. APPROACH CONSIDERED IN OUR VALUE ANALYSIS:

**General Principle for Valuation**

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties.

**Selection of Valuation Methodology**

The objective of the valuation process is to make a best reasonable judgment of the value of the shares of the Company. There are a number of valuation methodologies to value companies / businesses using historical and forecast financials of the company. Commonly used valuation methodologies are as follows:

- **Net Asset Value (NAV) Method**

In Net Asset Value (NAV) Method, the assets and liabilities are considered at realizable value or book value, including intangible assets and contingent liabilities, if any, which are not stated in the balance sheet. From the value of the assets, the potential liabilities which would have to be paid would be deducted and resultant figure is the NAV of the company.



This valuation approach is mainly used in case where the asset base dominates the earnings capability or in a case where the valuing entity is a holding company deriving significant value from its assets and investments.

NAV Method is most applicable for the business where the value lies in the underlying assets or in cases where the ongoing operations of the business and the potential future cash flows of the business cannot be reasonably estimated or where the operations / business of an entity is discontinued.

- **Discounted Cash Flow (DCF) Method**

The Income Method focuses on the profit/earnings potential of the business being valued. The Income Method of valuation includes Discounted Cash Flow ("DCF") Method which has been discussed hereinafter. Under DCF Method, the free cash flows attributable to the firm for a predetermined number of future years and perpetuity are considered and discounted to their present value. The free cash flows attributable to the firm are the cash flows from operating activities as reduced by the estimated/ planned capital expenditure and working capital requirement in each of the future years.

The cash flow projections, the estimations of capital expenditure and working capital requirement are based on the management's view of the future business prospects of the company and the anticipated economic conditions in relation to the industry in which the company operates. This method is particularly useful for unlisted and going concern companies or those without clear market comparable, as it focuses on the company's internal financial performance and future prospects, rather than external market conditions. In the Present case scenario, the DCF method is used to value the transferee company.

- **Market Price Method {(90 trading days (TD)- 10 Trading Days (TD)}**

The market price of an equity shares as quoted on a stock exchange is normally considered as value of the equity shares of that company where such quotation are arising from the share being regularly and freely traded in, subject to speculative support that may be inbuilt in the value of the shares. But there could be situation where the value of the shares as quoted on the stock market would not be regarded as proper index of fair value of the shares especially where the market values are fluctuating in volatile capital market. Further, in case of a merger,



where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the numbers of shares available for trading on stock exchange over reasonable period would have to be of a comparable standard.

Equity shares of transferor company are listed on BSE and are frequently traded in terms of Part IV, Pricing, Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('ICDR Regulations'). Equity shares of transferee company are not listed on any stock exchange.

- **Comparable Company Multiples (CCM) Method**

Under the Comparable Companies Multiple Method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation method is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The base(s) to which a multiple is commonly applied include sales, EBITDA, cash flows and book value.

Given this and the non-comparability with listed companies, this method has not been used to calculate the fair value of equity shares of the Companies.

## II. Basis for arriving at Swap Ratio:

Based on the discussions in the preceding paragraphs w.r.t valuation methodologies as well as regulatory requirements, we have determined appropriate value of the equity shares of REL and STL based on Market Price Method and Discounted Cash Flow Method.

## III. VALUATION OF EQUITY SHARES

The valuation summary of REL and STL as per Market Price method and Discounted Cash Flow method is as under:

**Refer Annexure -I for details.**

**M/s. RUDRA ECOVATION LIMITED (REL)**

The value per equity share of REL of par value of Rs. 1 each using Market Price method is determined at Rs. 71.88 per Equity Share.



**Refer Annexure –II for details.**

**M/s. SHIVA TEXFABS LIMITED (STL)**

The valuation has been done on the basis of the Provisional Financial Statement of STL for the financial year ended September 30, 2024 and the management certified financial projections from 1st October 2024 to 31st March 2027.

The value per equity share of STL of par value of Rs. 10 each using Discounted Cash Flow method is determined at Rs. 337.26 per Equity Share.

**Refer Annexure –III for details**

## SWAP RATIO

To the best of our knowledge and on the basis of valuation of shares of REL and STL, on the basis of information and explanations provided to us, we are of the opinion that:

- **"Shiva Texfabs Limited" (Transferee Company) shall issue and allot 0.213 Shares of Face Value of INR 10/-(Rupees Ten) each to Shareholders of "Rudra Ecovation Limited" (Transferor Company) for every 1 Share of Face Value of INR 1/- (Rupees One) each held by them in Transferor Company.**

## DISCLAIMER/LIMITATIONS ON THE RECOMMENDATION OF SWAP RATIO

- Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts.

- Our work did not constitute an audit, a due diligence, an independent validation of the financial statements for any of the businesses and accordingly, we do not express any opinion on the same.
- Valuation analysis and results are also specific to the date of this report. A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the Companies have drawn our attention to the relevant material information, which they are aware of concerning the financial position and any other matter, which may have an impact on our recommendation.



- In the course of the valuation, we were provided with both written and verbal information. The terms of our engagement were such that we were entitled to rely upon the information provided by the Companies without detailed inquiry. Our conclusions are based on these assumptions, forecasts and other information given by/on behalf of the Companies. The management of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the above information furnished by the Companies and their impact on the present exercise.

- The determination of valuation, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinion may differ due to a number of separate judgments and decisions, which have to be made. There can therefore be no standard formulae to establish an undisputable share swap ratio. The final responsibility for the determination of share swap ratio/fair equity value at which the Proposed Merger shall take place, will be with the Board of Directors of all the Companies.

- This report is prepared for the Clients and must be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any person. The report is confidential to the Clients and it is given on the express undertaking that it is not communicated, in whole or in part, to any third party without our prior written consent. Neither this report nor its contents may be used for any other purpose without our prior written consent.

- Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither ourselves, nor any of our partners, officers or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities which may arise based upon the information used in this report. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Companies, their management, directors, employees or agents.



- Our report is not, nor should it be construed as our opining or certifying the compliance of the Proposed Merger with the provisions of any law including company law and taxation law or as regards any legal implications or issues arising from such Proposed Merger.

- We have no obligation to update this report because of events or transactions occurring subsequent to the date of this report.

- This report is based on the information provided to us by the management. This report has been prepared solely for the aforesaid purpose and should not be used for any other purpose.




**SUBODH KUMAR**
**(Registered Valuer)**
**IBBI Regn- IBBI/RV/05/2019/11705**

## Annexure I

**Shiva Texfabs Limited**

**Valuation Date** **30-Sep-24** **(INR Million)**

| Computation of Free Cash Flow to Firm | 31-Mar-25 | 31-Mar-26 | 31-Mar-27 |
|---|---|---|---|
| Profit After Tax | 922.65 | 2,403.00 | 2,185.00 |
| ***Growth Y-O-Y*** | | | ***-9.07%*** |
| Depreciation | 99.2 | 259 | 259 |
| Interest*(1-Tax Rate) | 20.54 | 29.6 | 31.08 |
| Change in Working Capital | (127.04) | (790.00) | (676.00) |
| Capex | (627.59) | (252.00) | (259.00) |
| **Free Cash flow to Firm** | **287.76** | **1,649.60** | **1,540.08** |
| Year Fraction | 0.5 | 1 | 1 |
| Cash Flow Period | 0.25 | 1.00 | 2.00 |
| Present Value Factor | 0.96 | 0.86 | 0.73 |
| **PV of Free Cash Flow** | **276.78** | **1,411.92** | **1,128.25** |

| Computation of Terminal Value | |
|---|---|
| WACC | 16.83% |
| Terminal Growth Rate | 4% |
| Terminal Value | 12,923.82 |
| **PV of Terminal Value** | **9,467.92** |

| Computation of share price | |
|---|---|
| PV of Sum of FCFF | 2,816.96 |
| PV of Terminal Value | 9,467.92 |
| **Enterprise Value** | **12,284.88** |
| Debt | -803.91 |
| Cash | 6.48 |
| Investments | 59.84 |
| Other Non Current Assets | 77.92 |
| Unpaid Calls Receivables (47,01,755 Shares @6.90 per share) | 32.44 |
| **Equity Value** | **11,657.64** |
| DLOM | 2,176.00 |
| **Adjusted Equity Value** | **9,481.64** |
| Total Shares (FV= Rs.10 Per Share) | 2,81,13,753.00 |
| **Share Price** | **337.26** |



**Computation of Cost of Equity**

| | | | |
|---|---|---|---|
| Risk Free Rate | ***Rf*** | ***Investing.com*** | 6.75% |
| Beta | β | Assumed | 1 |
| Equity Risk Premium | | | 9.24% |
| CSRP* | | | 44.80% |
| **Cost of Equity** | | | **20.13%** |

| | | |
|---|---|---|
| **Sensex as on** | | |
| 01-Apr-79 | Base Year | 100 |
| 30-Sep-24 | Valuation Date | 85,208.00 |
| **Market Return** | | **15.99%** |

| **Cost of Debt** | |
|---|---|
| Risk Free Rate | 6.75% |
| Default Credit Spread | 2.39% |
| Country Specific Risk Premium | 2.31% |
| **Cost of Debt** | **11.45%** |
| Tax Rate | 26% |
| **Cost of Debt (Post Tax)** | **8.47300%** |

| **Total Capital** | |
|---|---|
| Equity | 2041.787 |
| Debt | 803.91 |
| **Total Capital Structure** | **2,845.70** |

| **Computation of WACC** | | | |
|---|---|---|---|
| Equity % | 72% | Ke | 20.13% |
| Debt % | 28% | Kd | 8.47300% |
| | | **WACC** | **16.83%** |



| Computation of DLOM | |
|---|---|
| Strike Price | 1 |
| Spot Price | 1 |
| Time to Maturity | 5 |
| Dividend Yeild | 0% |
| Risk Free Rate | 6.75% |
| Volatility | 42.34% |
| | |
| d1 | 0.82985456 |
| d2 | -0.116869976 |
| | |
| N(d1) | 0.796689491 |
| N(d2) | 0.453481545 |
| N(-d1) | 0.203310509 |
| N(-d2) | 0.546518455 |
| | |
| Put | 0.186658813 |
| | |
| **DLOM** | **19%** |



Annexure II

**Market Value Method**
**as on 30-September-2024**

| No. of Trading Days | Total Volume Traded | Total Turnover Traded | Volume Weighted Average Price (INR) |
|---|---|---|---|
| 90 | 3,51,48,523.00 | 2,30,87,20,574.00 | 65.68 |
| 10 | 13,13,809.00 | 9,44,40,740.00 | 71.88 |
| | Concluded Value (Higher 90 or 10 Days) | | 71.88 |



**Annexure III**

Calculation of Swap Ratio

| Valuation Approach | Shiva (Transferee) | | Rudra (Transferor) | |
|---|---|---|---|---|
| | Value Per Share | Weight | Value Per Share | Weight |
| Net Assets Value | - | 0% | - | 0% |
| market Price Method | - | 0% | 71.88 | 100% |
| Discounted Cash Flow Method | 337.26 | 100% | - | 0% |
| Price Earning Capacity Value | - | 0% | - | 0% |
| **Relative Value Per Share** | **337.26** | | **71.88** | |
| **Share Exchange Ratio** | **0.213** | | **1** | |

**CONCLUSION: Based on the swap ratio derived, the swap shares will be 0.213 equity share of Face Value Per Share @10 per share of Shiva Texfabs Limited for every 1 equity share of Face value @ Rs. 1 Per Share of Rudra Ecovation Limited.**



# FAIRNESS OPINION REPORT

FOR THE PROPOSED MERGER OF

RUDRA ECOVATION LIMITED
("Transferor Company")

WITH

SHIVA TEXFABS LIMITED
("Transferee Company")

AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013)

18th December, 2024
Strictly Private & Confidential

To
**The Board of Directors**
**Shiva Texfabs Limited**
4th Floor, Woodstock Tower,
B-35/958, Adarsh Nagar
Ferozepur Road, Opposite
Waves Mall, Ludhiana,
Punjab-141008

To
**The Board of Directors**
**Rudra Ecovation Limited**
Plot No.43-44, Industrial Area,
Barotowala Himachal Pradesh,
India-174103

**Sub: Fairness Opinion on Share Exchange Ratio for the Proposed Merger of Rudra Ecovation Limited (Transferor Company / REL") with Shiva Texfabs Limited ("Transferee Company"/"STL").**

Dear Sir/Madam,

We, 3Dimension Capital Services Limited (SEBI Registered Category I Merchant Banker), have been appointed by Shiva Texfabs Limited ("Transferee Company"/" STL"), to provide a Fairness Opinion on the Valuation report issued by **Mr. Subodh Kumar (Registration No. IBBI/RV/05/2019/11705)** dated **18th December, 2024** in connection with the proposed merger as subjected above pursuant to a Scheme of Arrangement under Sections 230 to 232 and other applicable clauses of the Companies Act, 2013.

In terms of our engagement, we are enclosing our opinion along with this letter. All comments as contained herein must be read in conjunction with the caveats to this opinion. The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**Listing Regulations**") read with SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, it should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of **3Dimension Capital Services Limited**, such consent will only be given after full consideration of the circumstances at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the

stock exchanges, Hon'ble National company Law Tribunal ("NCLT") and notices to be dispatched to the shareholders and creditors for convening the meeting pursuant to the directions of Hon'ble NCLT and we provide consent for the same.

Please feel free to contact us in case you require any additional information or clarifications.

**Yours Faithfully,**
**For 3Dimension Capital Services Limited**

**[Authorized Signatory]**

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## CONTEXT AND BACKGROUND

The Board of Directors of Transferor Company and the Transferee Company believe that the merger of Transferor Company with Transferee Company is expected to enable better realization of potential of business and yield beneficial results and enhanced value creation for the companies involved in Scheme, their respective Shareholders and Creditors.

Further this Scheme of Arrangement for merger of the Transferor Company with the Transferee Company would result, inter-alia, in the following additional benefits to their respective members:

- Optimum and efficient utilization of capital, resources, assets and facilities;
- Enhancement of competitive strengths including financial resources;
- Consolidation of businesses and enhancement of economic value addition and shareholder value;
- Obtaining synergy benefits;
- Better management and focus on growing the businesses.
- The merger would result in reduction of overheads, administrative, managerial and other expenditure and bring about operational rationalization, efficiency and optimum utilization of various resources.
- A larger growing company will mean enhanced financial and growth prospects for the people and organization connected therewith, and will be in public interest. The merger will conducive for better and more efficient and economical control over the business and financialconduct of the Companies.

## BRIEF ABOUT COMPANIES

1. **Shiva Texfabs Limited (herein after also referred to as 'STL' or 'Transferee'),** is incorporated under the provisions of the Companies Act, 1956, with Corporate Identity No. U18101PB1993PLC013745, having its registered office at 4th Floor, Wood Stock Tower, B-35/958, Adarsh Nagar, Ferozepur Road, Ludhiana-141 001, Punjab. Shiva Texfabs Limited, the Transferee Company is engaged in manufacturing of polyester staple fiber, synthetic yarn, knitted fabric, non-woven fabric and carpets etc., from the recycled material of pet waste, at the manufacturing units located in Machhiwara, Punjab. Shiva Texfabs Limited is a closely held un-listed public limited company.

**Share Capital as on 30th September 2024.**

| Sr. No. | Name | Amount in Rs. | |
|---|---|---|---|
| | | Authorised share capital (Rs.) | Issued, subscribed and paid capital (Rs.) |
| I | STL | **Equity Share**<br>Rs. 35,50,00,000/- (3,55,00,000 shares of Rs.10/- each) | **Equity Share**<br>Rs. 35,15,46,890/- (3,51,54,689 shares of Rs.10/- each)<br><br>Rs.145,75,440.50/-(Calls Unpaid 47,01,755 No. of Equity Shares @ Rs. 6.90) |

**NOTE 1**: The Investment in Shiva Texfabs Limited (Transferee Company) 23,39,181 equity shares and 47,01,755 partly paid equity shares held by the Rudra Ecovation Limited (Transferor Company) is written off as part of the cross-holding elimination process. This step is essential to ensure accurate consolidation of the company's financials, as it avoids the artificial inflation of assets and ensures that only external assets and liabilities are reflected in the combined company's books. The write off is a standard procedure in merger and acquisitions involving cross-holding between the companies involved.

2. **Rudra Ecovation Limited (herein after also referred to as 'REL' or 'Transferor Company'),** is incorporated under the provisions of the Companies Act, 1956, with Corporate Identity No. L43292HP1980PLC031020, having its registered office at Plot No. 43-44, Industrial Area, Barotiwala-174 103, Himachal Pradesh. Rudra Ecovation Limited, the Transferor Company is engaged in manufacturing of synthetic yarn and other related activities

at its manufacturing unit located in Barotiwala in the State of Himachal Pradesh. Rudra Ecovation Limited is a public limited company listed on BSE.

**Share Capital as on 30th September 2024.**

| Sr. No. | Name | Amount in Rs. | |
|---|---|---|---|
| | | Authorised share capital (Rs.) | Issued, subscribed and paid capital (Rs.) |
| 1 | REL | **Equity Share**<br>Rs. 17,50,00,000/- (17,50,00,000 shares of Rs.1/- each)<br><br>**Preference Shares**<br>Rs.16,500,000/- (1,65,000 16.5% Cumulative Redeemable Pref Share of Rs. 100 each.<br><br>Rs.143,500,000/- (14,35,000 4% Non-Cumulative Redeemable Pref. Shares of Rs.100 each | **Equity Share**<br>Rs. 110,950,000/- (110,950,000 shares of Rs.1/- each)<br><br>**Preference Shares**<br>Rs.120,000,000/- (12,00,000 4% Non-Cumulative Redeemable Pref. Shares of Rs.100 each |

**NOTE 1:** The Investment in Rudra Ecovation Limited's (Transferor Company) 12,00,000 4% preference shares held by the Shiva Texfabs Limited (Transferee Company) is written off as part of the cross holding elimination process. This step is essential to ensure accurate consolidation of the companies financials, as it avoids the artificial inflation of assets and ensures that only external assets and liabilities are reflected in the combined company's books. The write off is a standard procedure in merger and acquisitions involving cross-holding between the companies involved.

**NOTE 2** : As of the Valuation Date, Rudra Ecovation Limited holds 11,065,000 warrants, which are expected to be exercised in the near future, However, it is important to note that the proceeds from the exercise of these warrants have not been included in the current valuation calculation.

## SHARE EXCHANGE RATIO FOR MERGER

**SHARE EXCHANGE RATIO FOR MERGER:-**

BSE Circular No. LIST/COMP/02/2017-18 dated 29 May 2017 require the valuation report for a Scheme of Arrangement to provide certain requisite information in a specified format. The disclosures as required under BSE Circular is mentioned below:

| | | Valuation Approach | Asset | Market | | Income | Weighted Average Equity Value per share (INR) |
|---|---|---|---|---|---|---|---|
| | | Methodology Applied | Adjusted Book Value | Enterprise to EBITDA multiple | Market Price Method | Discounted Cash Flow | |
| Rudra Ecovation Limited (Transferor Company) | | Weights | NIL | NIL | 100% | NIL | |
| | | Equity Value Per Share (INR) | NIL | NIL | 71.88 | NIL | |
| | | Weighted Average Equity Value per share (INR) | NIL | NIL | 71.88 | NIL | 71.88 |
| STL | (Transferee Company ) | Weights | NIL | NIL | NIL | 100% | |
| | | Equity Value Per Share (INR) | NIL | NIL | NIL | 337.26 | |
| | | Weighted Average Equity Value per share (INR) | NIL | NIL | NIL | 337.26 | 337.26 |

**Method of Valuation:**

**Adjusted Net Asset Value Method**

The asset-based valuation method is based on value of the underlying net assets of the business, either on bookvalue basis or realizable value basis or replacement cost basis. The net asset value ignores the future return the asset can produce and is calculated using historical accounting data that does not reflect how

much the businessis worth to someone who may buy or invest in the business as a going concern. This valuation approach is mainlyused in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case assetsbase dominate earnings capability.

The value arrived at under this approach is based on the financial statements of the company and may be definedas "Shareholders' Funds" or net assets owned by the company. The balance sheet values are adjusted for any contingent liabilities that are likely to materialize. Net Assets value method reflects the net current assets base and value to equity-to-equity shareholders in historic terms.

**Comparable Companies Multiples (CCM) Method**

Under this method, one attempts to measure the value of the shares/ business by applying an appropriate capitalization rate/ multiple (the EV/Revenue multiple, the EV/EBITDA multiple, etc.), for which one may also consider the market quotations of comparable public/ listed companies possessing attributes similar to the business - to the future maintainable profits of the business (based on past and / or projected working results adjusted to reflect the future earnings potential) after making adjustments to the capitalization rate/ multiple on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued.

Consequently, identifying comparable listed companies to the company being valued, both in business and financial terms, is highly important.

Based on our analysis and discussion with the Management, we understand that there are no listed companies that can be considered as a company comparable to the Companies having regard to the size, business profile and financial performance, we have therefore not used CCM Method to value the equity shares of respective Companies.

**Market Price Method [(90 Trading Days (TD)-10 Trading Days (TD)]**

The market price of an equity shares as quoted on a stock exchange is normally considered as value of the equityshares of that company where such quotation are arising from the share being regularly and freely traded in, subject to speculative support that may be inbuilt in the value of the shares. But there could be situation wherethe value of the shares as quoted on the stock market would not be regarded as proper index of fair value of theshares especially where the market values are fluctuating in volatile capital market. Further, in case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the numbers of shares available for trading on stock exchange over reasonable period would have to be of a comparable standard.

Equity shares of REL are listed on both BSE and are frequently traded in terms of Part IV, Pricing, Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('ICDR Regulations'). Equity shares of STL are not listed on any stock exchange.

**Discounted Free Cash Flow (DFCF) Method**

Under this technique, either

1. the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, from a market participant basis, and the sum of such discounted cash flows is the value of the business, from which value of debt and other capital is deducted, and other relevant adjustments made to arrive at the value of the equity - Free Cash Flows to Firm ("FCFF") technique.

Or

2. the projected free cash flows from business operations available to equity shareholders (after deducting cashflows attributable to the debt and other capital providers) are discounted at the cost of equity, from a market participant basis, and the sum of such discounted free cash flows, after making other relevant adjustments, is the value of the equity - Free Cash Flows to Equity ("FCFE") technique.

## CONCLUSION & OPINION

The Management has provided us with long-term business plan of the STL. Considering the same we have considered the Discounted Cash Flow Method for arriving at the fair value of the shares of the Specified Company.

Further since REL is listed Company we have considered Market Price for valuation of shares of REL and we have further considered SEBI ICDR Regulations.

In case of a valuation for merger, the emphasis is on arriving at the "relative" values of the shares of the merging companies to facilitate determination of the "share exchange ratio". Hence, the purpose is not to arrive at absolute values of the shares of the companies.

***"Subject to the above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, we have reviewed the proposed Scheme of Arrangement for merger, the Valuation Report dated 18th December, 2024 of Mr. Subodh Kumar, Registered Valuer, with respect to the share exchange ratio aspects and consider it to be fair and reasonable from the point of view of equity shareholders of the Companies".***

**Computation of fair share exchange ratio for proposed merger of REL into and with STL.**

| Valuation Approach | Shiva (Transferee) | | Rudra (Transferor) | |
|---|---|---|---|---|
| | Value Per Share | Weight | Value Per Share | Weight |
| Net Assets Value | - | 0% | - | 0% |
| market Price Method | - | 0% | 71.88 | 100% |
| Discounted Cash Flow Method | 337.26 | 100% | - | 0% |
| Price Earning Capacity Value | - | 0% | - | 0% |
| Relative Value Per Share | 337.26 | | 71.88 | |
| Share Exchange Ratio | 0.213 | | 1 | |

- "Shiva Texfabs Limited" (Transferee Company) shall issue and allot 0.213 Shares of Face Value of INR 10/- (Rupees Ten) each to Shareholders of "Rudra Ecovation Limited" (Transferor Company) for every 1 Share of Face Value of INR 1/- (Rupees One) each held by them in Transferor Company.

***Kindly note that as per the requirement of SEBI Master Circular dated 23rd November, 2021, any fraction arising out of allotment of equity shares above shall be consolidated and held by the Trust, nominated by the Board of Directors of the Transferee Company on behalf of shareholders of the Transferor Companies entitled to fractional entitlements with the express understanding that such trustee shall sell such shares in the market at such price as the trustee may deem fit, within a period of 90 days from the date of allotment of shares as per the Scheme and the Transferee Company shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the shareholders of the respective Transferor Companies in proportion to their respective fractional entitlements.***

## CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective management and other publicly available information. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed / validated the financial data except what is provided to us by the Restructured Companies.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Scheme, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in the Restructured Company/ies and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Fairness Opinion Report. This opinion is issued on the understanding that the Management of the Restructured Companies under the Scheme have drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Fairness Opinion.



**Date: 5th February, 2025**

**The General Manager**
**Department of Corporate Services**
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400001

**Scrip Code: 514010**

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) with Shiva Texfabs Limited**

**Submission of Complaints Report**

Dear Sir/Madam,

This is in reference to the proposed scheme filed by our Company under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with BSE Limited ('BSE') on January 1, 2025 and had been uploaded on the BSE website on January 10, 2025. Considering this, we hereby submit the Complaint Report for the period w.e.f. January 10, 2025 to January 31, 2025 (i.e 21 days from the date of uploading of documents on the BSE website) as required as per Annexure IV of SEBI Master CircularSEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 is enclosed herewith for your reference.

Thanking you,

**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibre Ltd)**

**Nancy Singla**
**Company Secretary**
**ACS: 42571**

**Encl: a/a**

## Complaint Report

### Part A

| Sr. No. | Particulars | Number |
|---|---|---|
| 1. | Number of complaints received directly | NIL |
| 2. | Number of complaints forwarded by Stock Exchange | NIL |
| 3. | Total Number of complaints/comments received (1+2) | NIL |
| 4. | Number of complaints resolved | N.A. |
| 5. | Number of complaints pending | N.A. |

### Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---|---|---|---|
| N.A. | | | |

**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibre Ltd)**

**Nancy Singla**
**Company Secretary**
**ACS: 42571**

DCS/AMAL/NB/R37/3739/2025-26 August 25, 2025

To,

The Company Secretary,
**Rudra Ecovation limited**
Plot No. 43-44, Industrial Area,
Barotiwala, Distt. Solan, Solan,
Himachal Pradesh, 174103

**Sub: Scheme of amalgamation of Rudra Ecovation Limited with Shiva Texfabs Limited and their respective Shareholders and creditors.**

We refer to your application for Scheme of amalgamation of **Rudra Ecovation Limited ("REL" / "Transferor Company")** with **Shiva Texfabs Limited ("STL"/ "Transferee Company")** and their respective Shareholders and creditors under section 230 to 232 read with section 66 and other applicable provisions of the Companies Act 2013 and rules made thereunder filed with the Exchange under Regulation 37 of SEBI LODR Regulations, 2015, read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Reg. 94(2) of SEBI LODR Regulations, 2015.

In this regard, SEBI vide its Letter dated August 12, 2025, has inter alia given the following comment(s) on the said scheme of Arrangement:

1. **"The Entity shall discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."**

2. **"The Entity shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges."**

3. **"The Entity shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the Master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."**

4. **"The entities are advised that the information pertaining to all the Unlisted Companies, if any, involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."**

5. **"The Entity shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."**

6. **"The entity is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."**

7. **"The entity is advised that the proposed equity shares, if any, to be issued in terms of the "Scheme" shall mandatorily be in demat form only."**



**Registered Office: BSE Limited,** Floor 25, P J Towers, Dalal Street, Mumbai - 400 001, India. T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com
www.bseindia.com | Corporate Identity Number : L67120MH2005PLC155188

8. "The entity is advised that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."

9. "No changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."

10. "The entity is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT."

11. "The entity is advised to comply with the all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."

12. "The entity shall ensure that STL transfers shares held by Basant Finvest Private Limited to Suspense Demat Account until further action either by STL or BFPL as per the provisions of the Companies Act, 2013; SEBI Act, 1992 and rules and regulations issued thereunder."

13. "The company is advised to ensure disclose that the following additional disclosure to the public shareholders as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, to enable them to take an informed decision

    i. In the interest of ensuring transparency and informed decision making by public shareholders, transferee company to prominently disclose following information on the very first page of the notice convening the shareholders meeting for approval of scheme of arrangement (in bold text and highlighted for visibility) and in all the further communications to the public shareholders:

    "The shareholding pattern of Promoter/Promoter Group and Public shareholders before and after implementation of scheme is depicted as under:

| Category | Pre-Scheme Shareholding (%) | Post-Scheme Shareholding (%) | Change (%) |
|---|---|---|---|
| Promoter/Promoter Group | | | |
| Public Shareholders | | | |

    The shareholders may note that implementation of scheme shall result in increase in the shareholding of Promoter/Promoter Group from ..... % to %. Shareholders may also note that approval of the shareholders to scheme of merger would also result in to them agreeing to increase in shareholding of promoters on implementation of the scheme. Therefore, investors should read all the scheme related documents before exercising their voting rights.

    The above disclosure shall also be accompanied by a brief explanation regarding the reasons for the increase in shareholding of Promoter/Promoter Group and its impact on the public shareholders in terms of their rights and value of their holding in the Company. Details of assets, liabilities, net worth and revenue of the companies involved, pre and post scheme. Details of assets, liabilities, net worth and revenue of the companies involved, pre and post scheme.

    ii. Details w.r.t. No Objection Certificate (NOC) from the lending scheduled commercial banks/financial institutions/ debenture trustees.

iii. Impact of scheme on revenue generating capacity of Transferee Company.

iv. Need and Rationale of the scheme, Synergies of business of the companies involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.

v. Value of assets and liabilities of Transferor Company that are being transferred to Transferee Company

vi. Details/ facts about the basis of valuation of STL including company's substantial order book and the management's anticipation regarding sustained growth in the coming years, projections considered for valuation of transferor and transferee companies along with justification for growth rate considered for valuation;

vii. Latest financials of transferor and transferee companies should be updated on the Website and same also to be disclosed in the explanatory statement.

viii. Revised shareholding pattern of transferor and transferee companies Pre and Post-Merger.

ix. Pre and Post scheme shareholding of transferor and transferee companies as on the date of notice of Shareholders meeting along with rationale for changes, if any, occurred between filing of Draft Scheme to Notice to shareholders.

x. Disclose all pending actions against the entities involved in the scheme its promoters/directors/KMPs and possible impact of the same on the Transferee Company to the shareholders.

xi. Disclose clearly the method of accounting along with applicable IND AS;

xii. Promoter/ promoter group of STL will not transfer any shares to any other person till the effective date of scheme. Further, in case they transfer the shares then the Acquirer(s) shall be classified as promoter post scheme and provisions of lock-in shall apply to the Acquirer(s);

xiii. The entity shall ensure that applicable additional information, if any to be submitted to SEBI along with draft scheme of arrangement as advised by email dated August 25, 2025 shall form part of disclosures to the shareholders.

14. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.

Accordingly, based on aforesaid comment offered by SEBI, the Company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Please note that the submission of documents / information, in accordance with the circular to SEBI / Exchange should not any way be deemed or construed that the same has been cleared or approved by SEBI / Exchange. SEBI / Exchange does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the document submitted.

Further, where applicable in the explanatory statement of the notice to be sent by the Company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.

However, the listing of equity shares of Shiva Texfabs Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Further, Shiva Texfabs Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange. The Companies shall fulfil the Exchange's criteria for listing the securities of such Companies and also comply with other applicable statutory requirements. However, the listing of shares of Shiva Texfabs Limited is at the discretion of the Exchange. In addition to the above, the listing of Shiva Texfabs Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about of Shiva Texfabs Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the Companies are also advised to make the same available to the public through its website.

2. To publish an advertisement in the newspapers containing all details of Shiva Texfabs Limited in line with the details required as per the aforesaid SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about of Shiva Texfabs Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provisions shall be incorporated in the scheme:
   - "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
   - "There shall be no change in the shareholding pattern of Shiva Texfabs Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **the validity of this Observation Letter shall be Six Months from the date of this Letter,** within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any

contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations do not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted**. You may please refer to circular dated February 26, 2019, issued to the company.

Yours faithfully,

**Ashok Kumar Singh**
**Deputy Vice President**

**Nilima Burghate**
**Deputy Manager**

**ANUJ GUPTA & ASSOCIATES**
(Chartered Accountants)

SCO-3, 1st Floor,
Surya Shopping Arcade,
National Road, Ghumar Mandi
Ludhiana 141001
Email: ca.anuj1989@gmail.com
M: +91-98768-50522

To,
The Board of Directors,
**Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Limited)**
Plot No. 43-44, Industrial Area,
Barotiwala-174 103, Himachal Pradesh

Dear Sirs,

We, Anuj Gupta & Associates Chartered Accountants being PCA of **Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited)**(hereinafter referred to as **"the Company"**), have examined the proposed Draft Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited) with Shiva Texfabs Limited(the Draft Scheme) in terms of the provisions of Sections 230-232of the Companies Act, 2013 and confirm that certify the following:

a. Pre and post Scheme statement of Assets and liabilities and the revenue and net-worth of the Company, as certified by us is enclosed **herewith**.

b. The write-up on the history of the Companies involved in the Scheme is as below:

**"Transferor Company"** means **Rudra Ecovation Limited**being a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 43-44, Industrial Area, Barotiwala-174 103, Himachal Pradesh; e-mail: hfl.corporate@gmail.com, website: www.rudraecovation.com.

Rudra Ecovation Limited [Corporate Identity No. (CIN): L43292HP1980PLC031020; Income Tax Permanent Account No. (PAN): AAACH0871P] (hereinafter referred to as "the Transferor Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Himachal Fibre Private Limited' vide Certificate of Incorporation dated 20th February, 1980 issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. The Company was converted into a public limited company and name of the Company was changed to 'Himachal Fibre Limited' vide Fresh Certificate of Incorporation dated 7th August, 1981 issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.Registered Office of the Company was shifted from the NCT of Delhi to the State of Himachal Pradesh as approved by the Hon'ble Company Law Board, New Delhi Bench, New Delhi, vide Order dated 13th October, 2008. The Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh, registered the aforesaid order and allotted a new CIN to the Company. Name of the Company was changed to its present name 'Rudra Ecovation Limited' vide Fresh Certificate of Incorporation dated 13th February, 2024, issued by the Registrar of Companies, Himachal Pradesh, Chandigarh.

**"Transferee Company"** means **Shiva Texfabs Limited** being a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 4th Floor, Wood Stock Tower, B-35/958, Adarsh Nagar, Ferozepur Road, Ludhiana-141 001, Punjab; e-mail: csstl@shivagroup.info, website: www.shivagroup.info.



Shiva Texfabs Limited [Corporate Identity No. (CIN): U18101PB1993PLC013745; Income Tax Permanent Account No. (PAN): AACCS0279A] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as 'Shiva Fabricators Private Limited' vide Certificate of Incorporation dated 23rd September, 1993 issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh. The Company was converted into a public limited company as well its Name was changed to its present name 'Shiva Texfabs Limited' vide Fresh Certificate of Incorporation dated 14th March, 2005 issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh.

**For Anuj Gupta & Associates**
**Chartered Accountants**
**FRN: 036392N**




**Anuj Gupta**
**Partner**
**Membership No.: 527632**
**UDIN: 24527632BKACRA1978**

**Place: Ludhiana**
**Date: 23.12.2024**

**Encl: a.a.**

| SHIVA TEXFABS LIMITED | Rs. in Lakhs | |
|---|---|---|
| **Particulars** | **Pre Scheme** | **Post Scheme** |
| Property, plant and equipment, intangible assets (including capital work-in-progress, intangible assets under development), investment property and right of use assets | 19,636.00 | 20,729.00 |
| Non Current Assets | 1,823.00 | 2,408.00 |
| Current Assets | 20,802.00 | 22,741.00 |
| **Total Assets** | **42,261.00** | **45,878.00** |
| Non Current Liabilities | 8,311.00 | 8,598.00 |
| Current Liabilities | 13,535.00 | 16,545.00 |
| **Total Liabilities** | **21,846.00** | **25,143.00** |
| Equity Share capital | 3,191.00 | 4,301.00 |
| Reserves | 17,224.00 | 16,435.00 |
| **Net Worth** | **20,417.87** | **26,426.30** |
| **Gross Revenue from sale of products and services** | **21,927.49** | **23,241.14** |



# DHARAM RAJ & CO.

CHARTERED ACCOUNTS

**TO WHOM SO EVER IT MAY CONCERN**

On the basis of the un-audited Financial Statements (Standalone) (subjected to limited review by the statutory auditors) of **Rudra Ecovation Limited** (Formerly Known as Himachal Fibres Ltd) (**"the Company"**) for the period ended on September 30, 2024, the draft Scheme of Amalgamation of Rudra Ecovation Limited with Shiva Texfabs Limited, as produced before us for verification, I, the undersigned do hereby certify that the **Pre-Scheme** Net-worth of the Company is as below:

| **Particulars** | **Amount Rs. in Lakhs** |
|---|---|
| **Share Capital** | |
| Equity Share Capital (11,09,50,000 Equity Shares of Re. 1 each) | 1,109.50 |
| **Add: Free Reserves & Surplus and Securities Premium Account** | |
| Securities Premium Account | 6,429.00 |
| General Reserve | - |
| Profit & Loss Account | (2,928.33) |
| Capital Reserve | 1,777.93 |
| **Net Worth** | **6,388.10** |

**For Dharam Raj & Co.**
**Chartered Accountants**
**FRN: 014461N**

**Sandeep Kumar Agrawal**
**Partner**
**Membership Number: 088699**

**UDIN:** 24088699BKCEZU8213

**Date: 23-12-2024**
**Place: Delhi**

2FCS-41, Ansal Plaza, Vaishali, Ghaziabad-201010 (U.P.)
**Mob:** +91-9811337758
**Email:** sanchardeep@gmail.com ~ **Website:** www.drcifrs.com

# DHARAM RAJ & CO.

CHARTERED ACCOUNTS

**TO WHOM SO EVER IT MAY CONCERN**

On the basis of the Audited Financial Statements (Standalone) of **Shiva Texfabs Limited ("the Company")** for the period ended on September 30, 2024, the draft Scheme of Amalgamation of Rudra Ecovation Limited and Shiva Texfabs Limited, and other related documents, as produced before us for verification, we, the undersigned do hereby certify that the **Pre-Scheme** Net-worth of the Company is as below:

| Particulars | Amount Rs. in Lakhs |
|---|---|
| **Share Capital** | |
| Issued Equity Share Capital (3,51,54,689 Equity Shares of Rs. 10 each) | 3515.47 |
| Less: Calls Unpaid (47,01,755 Equity Shares of Rs. 6.90 each) | (324.42) |
| **Paid-up share capital** | **3,191.05** |
| **Add: Free Reserves & Surplus and Securities Premium Account** | |
| Securities Premium Account | 31,761.30 |
| General Reserve | 700.23 |
| Profit & Loss Account | (36890.71) |
| Capital Reserve | 21,656.00 |
| | |
| **Net Worth** | **20,417.87** |

**For Dharam Raj & Co.**
**Chartered Accountants**
**FRN: 014461N**

**Sandeep Kumar Agrawal**
**Partner**
**Membership Number: 088699**

**UDIN:** 24088699BKCEZV3441

**Date: 23-12-2024**
**Place: Delhi**

2FCS-41, Ansal Plaza, Vaishali, Ghaziabad-201010 (U.P.)
**Mob:** +91-9811337758
**Email:** sanchardeep@gmail.com ¨ **Website:** www.drcifrs.com

# DHARAM RAJ & CO.

CHARTERED ACCOUNTS

## TO WHOM SO EVER IT MAY CONCERN

On the basis of the Audited Financial Statements (Standalone) of **Shiva Texfabs Limited ("the Company")** for the period ended on September 30, 2024, the un-audited Financial Statements (Standalone) of Rudra Ecovation Limited for the period ended on September 30, 2024, the draft Scheme of Amalgamation of Rudra Ecovation Limited and Shiva Texfabs Limited, as produced before us for verification, we, the undersigned do hereby certify that the **Post-Scheme** Net-worth of the Company – **Shiva Texfabs Limited** is as below:

| **Particulars** | **Amount Rs. in Lakhs** |
|---|---|
| **Pre-Scheme Share Capital** | |
| Issued Equity Share Capital<br>(3,51,54,689 Equity Shares of Rs. 10 each) | 3515.47 |
| **Less:** Calls Unpaid<br>(47,01,755 Equity Shares of Rs. 6.90 each) | (324.42) |
| **Pre-Scheme Paid-up share capital** | **3,191.05** |
| Allotment of Equity Shares pursuant to the Scheme of Amalgamation<br>2,36,32,350 Equity Shares of Rs. 10 each (based on the share capital of the Transferor Company as on 30-09-2024*) | 2,363.24 |
| Less: Cancellation of shares held by Rudra Ecovation Limited in Shiva Texfab Limited<br>23,39,181 Equity Shares of Rs. 10 each (fully paid-up)<br>47,01,755 equity shares of Rs. 10 each (Rs. 3.10 per share paid-up) | <br><br>233.92<br>145.75 |
| **Post-Scheme Paid-up share capital**<br>5,17,46,103 equity share of Rs. 10 each (fully paid-up) **[A]** | **5,174.61** |
| Add:<br>Pre-Scheme Reserves & Surplus and Securities Premium Account of Shiva Texfab Limited **[B]** | 17,226.82 |
| Add: Aggregate of the net-worth of the Transferor Company (Rs. 6,388.10 lakhs) less the amount of Equity Shares to be issued by Shiva Texfabs Limited pursuant to the amalgamation (Rs. 2,363.24 lakhs) **[C]** | 4,024.86 |
| | |
| **Post Scheme Net-Worth [A+B+C]** | **26,426,30** |

**The aforesaid net-worth certificate is based on the financial statements and the capital structure of the Company as on September 30, 2024 and does not consider any change in financial position or capital structure after the said date.*

**For Dharam Raj & Co.**
**Chartered Accountants**
**FRN: 014461N**

**Sandeep Kumar Agrawal**
**Partner**
**Membership Number: 088699**

**UDIN:** 24088699BKCEZW5475

**Date: 23-12-2024**
**Place: Delhi**

2FCS-41, Ansal Plaza, Vaishali, Ghaziabad-201010 (U.P.)
**Mob:** +91-9811337758
**Email:** sanchardeep@gmail.com " **Website:** www.drcifrs.com

**Rudra Ecovation Limited**
(Formerly Himachal Fibres Limited)

**Value of assets & Liabilities as on 01.04.2025**

| Particulars | AMOUNT IN Rs. |
|---|---|
| **ASSETS** | |
| **FIXED ASSETS** | |
| (a) Property, Plant and Equipments | 111,287,869 |
| (b) Right-of-use assets | 585,889 |
| | |
| **OTHER NON CURRENT ASSETS** | |
| (a) Investment in Shiva Tex Fabs Limited | 962,736,727 |
| (b) Deferred tax assets (net) | 25,540,562 |
| (c) Capital Advances | 640,480 |
| (d) Security deposits | 2,165,000 |
| | |
| **CURRENT ASSETS** | |
| **1.) Inventories:** | |
| (a) Raw materials | 12,197,174 |
| (b) Work-in-progress | 7,250,000 |
| (c.) Finished goods | 89,507,493 |
| (d) Stock-In-Trade | 6,325,366 |
| (e.) Stores and spares | 25,521,051 |
| | |
| **(2.) Other Current Assets** | |
| (i) Trade receivables | 7,403,845 |
| (ii) Cash and cash equivalents | 1,152,067 |
| (iii) TDS Receivables | 280,641 |
| Advance to Suppliers | 4,454,905 |
| Other advances Recoverable in Cash or Kind | 585,709 |
| Prepaid Expenses | 418,531 |
| GST Input (HP and Punjab) | 1,096,127 |
| GST Refund Receivable | 6,000,000 |
| GST Cash Ledger | 319,432 |
| GST Receivables | 46,199 |
| **TOTAL ASSETS** | **1,265,515,067** |
| | |
| **LIABILITIES** | **AMOUNT IN Rs.** |
| **Non-current liabilities** | |
| a) Unsecured Loans | 7,355,063 |
| b) Redeemable Portion of 4% Non-Cummulative Pref Share Capital | 98,229,036 |
| (c) Provisions for Gratuity | 2,028,306 |
| | |
| **Current liabilities** | |
| a) Trade Payable Other than MSE Dues | 7,038,331 |
| b) Employees Dues Payable (Salary/Wages, Others) | 16,670,327 |
| c.) Audit Fee Payable | 180,000 |
| d.) Other Expenses Payable | 2,401,957 |
| e.) Bonus Payable | 1,916,635 |
| f.) Leave with Wages Payable | 1,826,787 |
| g.) Imprest Balances | 3,946 |
| h.) Provident Fund | 515,226 |
| i.) Employee State Insurance (ESI) | 150,900 |
| j.) GST Payable RCM | 57,376 |
| k.)Tax Deducted at Source | 3,130,953 |
| l) Service Tax | 3,630 |
| m) Work Contract Tax | 136,008 |
| n) Advance From Customers | 65,006,335 |
| o) Cheques Issued But Not Presented | 2,893,518 |
| p) Unclaimed Preference Shares Redemption | 1,000,000 |
| q) Provisions for Gratuity | 221,516 |
| | |
| **TOTAL LIABILITIES** | **210,765,859** |

For RUDRA ECOVATION LIMITED

Director

Manjul Mittal & Associates
Chartered Accountants
GSTIN:03ABCFM3460B1ZY

## Auditor's Certificate

To,
The Board of Directors,
**Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Limited)**
Plot No. 43-44, Industrial Area,
Barotiwala-174 103, Himachal Pradesh

**Subject: Certificate for Applicability of Appendix C to Ind AS 103 and Accounting Treatment** in the draft Scheme of Amalgamation of **Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited)** (hereinafter referred to as **"the Transferor Company"**) and **Shiva Texfabs Limited** [hereinafter referred to as **"the Transferee Company**

Dear Sirs,

We, the Statutory Auditors of **Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited)**, having reviewed and examined the Draft Scheme of Amalgamation of **Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited)** with **Shiva Texfabs Limited** in terms of the provisions of Sections 230-232 of the Companies Act, 2013, other documents, records, representations and explanations provided by the management, hereby certify as under:

1. That **Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited)** (hereinafter referred to as **"the Transferor Company"**) and **Shiva Texfabs Limited** [hereinafter referred to as **"the Transferee Company"**] are under **common control** before and after the proposed amalgamation.

2. That the proposed amalgamation is a business combination between entities under common control and hence, the accounting treatment shall be governed by the provisions of **Appendix C to Ind AS 103 – Business Combinations**, notified under the Companies (Indian Accounting Standards) Rules, 2015.

3. That, in accordance with Appendix C to Ind AS 103, the amalgamation shall be accounted for using the **Pooling of Interests Method.**

This certificate is issued at the request of the management of **Rudra Ecovation Limited** for submission to the **Securities and Exchange Board of India (SEBI)** and concerned stock exchanges in connection with the Scheme of Amalgamation.

**For Manjul Mittal and Associates**
**Chartered Accountants**
**Firm Registration No. 028039N**

**CA Manjul Mittal**
**Membership No. 500559**
**UDIN: 25500559BMLKKU9553**

**Place: Ludhiana**
**Dated : 03.07.2025**

H.O.: 32, Green Enclave, Near Chanda Mama School, Near Ferozepur Road Ochori Post, Barewal, Ludhiana-141001
B.O. 1st Floor, SCO-07, Sector-30D, Chandigarh-160030
Mobile No.+91-7888490455; email: manjul2978@gmail.com

**ANUJ GUPTA & ASSOCIATES**
(Chartered Accountants)

SCO-3, 1st Floor,
Surya Shopping Arcade,
National Road, Ghumar Mandi
Ludhiana 141001
Email: ca.anuj1989@gmail.com
M: +91-98768-50522

## Auditor's Certificate

To,
The Board of Directors,
**Shiva Texfabs Limited**
4th Floor, Wood Stock Tower, B-35/958,
Adarsh Nagar, Ferozepur Road,
Ludhiana-141 001, Punjab

Dear Sirs,

We, the statutory auditors of **Shiva Texfabs Limited**(hereinafter referred to as **"the Company"**), have examined the proposed accounting treatment specified in **Clause 13** of the Draft Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited) with Shiva Texfabs Limited (the Draft Scheme) in terms of the provisions of Sections 230-232 of the Companies Act, 2013, with reference to its compliance with the applicable Accounting Standards notified under Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards, as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 1956/ Companies Act, 2013 read with the Rules made thereunder and other Generally Accepted Accounting Principles, as applicable.

This Certificate is issued at the request of the **Shiva Texfabs Limited** pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the BSE Limited (BSE) and other statutory authorities. This Certificate should not be used for any other purpose without our prior written consent.

**For Anuj Gupta & Associates**
**Chartered Accountants**
**FRN: 0036392N**



**(Anuj Gupta)**
**Partner**
**Membership No.: 527632**
**UDIN: 24527632BKACQT8497**

**Place: Ludhiana**
**Date:23-12-2024**

Gmail RUDRA ECOVATION LIMITED earlier Himachal Fibres Ltd <hfl.corporate@gmail.com>

## RE: Draft scheme of Amalgamation filed by "Rudra Ecovation Ltd"

**Nilima Burghate** <Nilima.Burghate@bseindia.com> Mon, Aug 2
To: RUDRA ECOVATION LIMITED earlier Himachal Fibres Ltd <hfl.corporate@gmail.com>
Cc: Ashok Singh <ashok.singh@bseindia.com>, BSE Schemes <bse.schemes@bseindia.com>, Raghav Garg <Raghav.Garg@bseindia.com>

Dear sir/ ma'am,

Please find attached herewith the **"Observation Letter"** pursuant to the scheme of amalgamation of "**Rudra Ecovation Limited with Shiva Texfabs Limited**" and respective shareholders and creditors under Regulation 37, SEBI (LODR), 2015 and Sections 230 to 232 and section 66 and other applicable provisions of the Com 2013.

Please note that the following details are to be part of the disclosures to the shareholders pursuant to **Point no. 13 (xiii)** of the Observation Letter:

1. In cases of Demerger, apportionment of losses of the listed company among the companies involved in the scheme.
2. Details of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement, along with a write up of the demerged undertaking/Transferor Company certified by Chartered Accountant (CA).
3. Any type of arrangement or agreement between the demerged company / resulting company / merged / amalgamated company/ creditors / shareholders / pro directors/etc., which may have any implications on the scheme of arrangement as well as on the shareholders of listed entity.
4. In the cases of capital reduction/ reorganization of capital of the Company, Reasons along with relevant provisions of Companies Act, 2013 or applicable laws utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve, certified by CA.
5. In the cases of capital reduction/ reorganization of capital of the Company, Built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities certified by CA.
6. In the cases of capital reduction/ reorganization of capital of the Company, Nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether the and/or unrealized, certified by CA.
7. In the cases of capital reduction/ reorganization of capital of the Company, the built up of the accumulated losses over the years, certified by CA.
8. Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment, certified by CA.
9. In case of Composite Scheme, details of shareholding of companies involved in the scheme at each stage
10. Whether the Board of unlisted Company has taken the decision regarding issuance of Bonus shares. If yes provide the details thereof.
11. List of comparable companies considered for comparable companies' multiple method, if the same method is used in valuation.
12. Share Capital built-up in case of scheme of arrangement involving unlisted entity/entities, certified by CA.
13. Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme for the period of recent 8 years.
14. Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed entity in last three financial years.
15. Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement by the Board of Directors of the listed c
16. In case of Demerger, basis for division of assets and liabilities between divisions of Demerged entity.
17. How the scheme will be beneficial to public shareholders of the Listed entity and details of change in value of public shareholders pre and post scheme of arra
18. Tax/other liability/benefit arising to the entities involved in the scheme, if any.
19. Comments of the Company on the Accounting treatment specified in the scheme to conform whether it is in compliance with the Accounting Standards/Indian Standards.
20. If the Income Approach method used in the Valuation, Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme fo number of years considered for valuation. Reasons justifying the EBIDTA/PAT margin considered in the valuation report.
21. Confirmation that the valuation done in the scheme is in accordance with applicable valuation standards.
22. Confirmation that the scheme is in compliance with the applicable securities laws.
23. Confirmation that the arrangement proposed in the scheme is yet to be executed.

Regards,

**Nilima Burghate**

Deputy Manager

Listing Operations Reviewer

BSE Limited,

Add: P J Towers, Dalal Street, Mumbai - 400001, India

Phone (Direct) : 022-22725272 Mob.: +91-8976106124

www.bseindia.com




This mail is classified as 'PUBLIC' by Nilima.Burghate on August 25, 2025 at 14:11:06.

**From:** RUDRA ECOVATION LIMITED earlier Himachal Fibres Ltd <hfl.corporate@gmail.com>
**Sent:** 23 August 2025 11:46
**To:** Nilima Burghate <Nilima.Burghate@bseindia.com>
**Cc:** Ashok Singh <ashok.singh@bseindia.com>; BSE Schemes <bse.schemes@bseindia.com>; Raghav Garg <Raghav.Garg@bseindia.com>
**Subject:** Re: Draft scheme of Amalgamation filed by "Rudra Ecovation Ltd"

**LIST OF INDEX**

| | | |
|---|---|---|
| 1 | In cases of Demerger, apportionment of losses of the listed company among the companies involved in the scheme. | ***Not Applicable*** |
| 2 | Details of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement, along with a write up on the history of the demerged undertaking/Transferor Company certified by Chartered Accountant (CA). | ***Not Applicable*** |
| 3 | Any type of arrangement or agreement between the demerged company / resulting company / merged / amalgamated company/ creditors / shareholders / promoters / directors/etc., which may have any implications on the scheme of arrangement as well as on the shareholders of listed entity. | Enclosed |
| 4 | In the cases of capital reduction/ reorganization of capital of the Company, Reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve, certified by CA. | **Not Applicable**, as the scheme does **not** involve capital reduction or utilization of reserves. |
| 5 | In the cases of capital reduction/ reorganization of capital of the Company, Built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, certified by CA. | **Not Applicable**, as the scheme does **not** involve capital reduction or utilization of reserves. |
| 6 | In the cases of capital reduction/ reorganization of capital of the Company, Nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether they are notional and/or unrealized, certified by CA. | **Not Applicable**, as the scheme does **not** involve capital reduction or utilization of reserves. |
| 7 | In the cases of capital reduction/ reorganization of capital of the Company, the built up of the accumulated losses over the years, certified by CA. | **Not Applicable**, as the scheme does **not** involve capital reduction or utilization of reserves. |
| 8 | Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment, certified by CA. | Enclosed |
| 9 | In case of Composite Scheme, details of shareholding of companies involved in the scheme at each stage | ***Not Applicable*** |
| 10 | Whether the Board of unlisted Company has taken the decision regarding issuance of Bonus shares. If yes provide the details thereof. | ***Not Applicable*** |
| 11 | List of comparable companies considered for comparable | Enclosed |

| | | |
|---|---|---|
| | companies' multiple method, if the same method is used in valuation. | |
| 12 | Share Capital built-up in case of scheme of arrangement involving unlisted entity/entities, certified by CA. | Enclosed |
| 13 | Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme for the period of recent 8 years. | Enclosed |
| 14 | Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed entity in last three financial years. | ***Not Applicable*** |
| 15 | Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement by the Board of Directors of the listed company. | Enclosed |
| 16 | In case of Demerger, basis for division of assets and liabilities between divisions of Demerged entity. | ***Not Applicable*** |
| 17 | How the scheme will be beneficial to public shareholders of the Listed entity and details of change in value of public shareholders pre and post scheme of arrangement. | Enclosed |
| 18 | Tax/other liability/benefit arising to the entities involved in the scheme, if any. | Enclosed |
| 19 | Comments of the Company on the Accounting treatment specified in the scheme to conform whether it is in compliance with the Accounting Standards/Indian Accounting Standards. | Enclosed |
| 20 | If the Income Approach method used in the Valuation, Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA/PAT margin considered in the valuation report. | Enclosed |
| 21 | Confirmation that the valuation done in the scheme is in accordance with applicable valuation standards. | Enclosed |
| 22 | Confirmation that the scheme is in compliance with the applicable securities laws. | Enclosed |
| 23 | Confirmation that the arrangement proposed in the scheme is yet to be executed. | Enclosed |

**Date: 24.12.2024**

**To,**
**The General Manager**
**Department of Corporate Services**
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited**

**Confirmation**

Dear Sirs,

This has reference to the captioned matter; we hereby confirm in connection with the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited that there is no arrangement or agreement between the Transferor Company and the Transferee Company/ their creditors / shareholders / promoters / directors/etc., which may have any implications on the Proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited as well as on the shareholders of listed Transferor Company - Rudra Ecovation Limited.

Thanking You,

**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**



**Akhil Malhotra**
**DIN: 00126240**
**Director**

Manjul Mittal & Associates
Chartered Accountants
GSTIN:03ABCFM3460B1ZY

## Auditor's Certificate

To,
The Board of Directors,
**Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Limited)**
Plot No. 43-44, Industrial Area,
Barotiwala-174 103, Himachal Pradesh

**Subject: Certificate for Applicability of Appendix C to Ind AS 103 and Accounting Treatment** in the draft Scheme of Amalgamation of **Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited)** (hereinafter referred to as **"the Transferor Company"**) and **Shiva Texfabs Limited** [hereinafter referred to as **"the Transferee Company**

Dear Sirs,

We, the Statutory Auditors of **Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited)**, having reviewed and examined the Draft Scheme of Amalgamation of **Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited)** with **Shiva Texfabs Limited** in terms of the provisions of Sections 230-232 of the Companies Act, 2013, other documents, records, representations and explanations provided by the management, hereby certify as under:

1. That **Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited)** (hereinafter referred to as **"the Transferor Company"**) and **Shiva Texfabs Limited** [hereinafter referred to as **"the Transferee Company"**] are under **common control** before and after the proposed amalgamation.

2. That the proposed amalgamation is a business combination between entities under common control and hence, the accounting treatment shall be governed by the provisions of **Appendix C to Ind AS 103 – Business Combinations**, notified under the Companies (Indian Accounting Standards) Rules, 2015.

3. That, in accordance with Appendix C to Ind AS 103, the amalgamation shall be accounted for using the **Pooling of Interests Method.**

This certificate is issued at the request of the management of **Rudra Ecovation Limited** for submission to the **Securities and Exchange Board of India (SEBI)** and concerned stock exchanges in connection with the Scheme of Amalgamation.

**For Manjul Mittal and Associates**
**Chartered Accountants**
**Firm Registration No. 028039N**

**CA Manjul Mittal**
**Membership No. 500559**
**UDIN: 25500559BMLKKU9553**

**Place: Ludhiana**
**Dated : 03.07.2025**

H.O.: 32, Green Enclave, Near Chanda Mama School, Near Ferozepur Road Ochori Post, Barewal, Ludhiana-141001
B.O. 1st Floor, SCO-07, Sector-30D, Chandigarh-160030
Mobile No.+91-7888490455; email: manjul2978@gmail.com

**ANUJ GUPTA & ASSOCIATES**
(Chartered Accountants)

SCO-3, 1st Floor,
Surya Shopping Arcade,
National Road, Ghumar Mandi
Ludhiana 141001
Email: ca.anuj1989@gmail.com
M: +91-98768-50522

## Auditor's Certificate

To,
The Board of Directors,
**Shiva Texfabs Limited**
4th Floor, Wood Stock Tower, B-35/958,
Adarsh Nagar, Ferozepur Road,
Ludhiana-141 001, Punjab

Dear Sirs,

We, the statutory auditors of **Shiva Texfabs Limited**(hereinafter referred to as **"the Company"**), have examined the proposed accounting treatment specified in **Clause 13** of the Draft Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Limited) with Shiva Texfabs Limited (the Draft Scheme) in terms of the provisions of Sections 230-232 of the Companies Act, 2013, with reference to its compliance with the applicable Accounting Standards notified under Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards, as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 1956/ Companies Act, 2013 read with the Rules made thereunder and other Generally Accepted Accounting Principles, as applicable.

This Certificate is issued at the request of the **Shiva Texfabs Limited** pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the BSE Limited (BSE) and other statutory authorities. This Certificate should not be used for any other purpose without our prior written consent.

**For Anuj Gupta & Associates**
**Chartered Accountants**
**FRN: 0036392N**



**(Anuj Gupta)**
**Partner**
**Membership No.: 527632**
**UDIN: 24527632BKACQT8497**

**Place: Ludhiana**
**Date:23-12-2024**

To,
The General Manager,
Department of Corporate Services
**BSE Limited**
P.J. Towers, Dalal Street
Mumbai – 400 001

Dear Sir,

**Sub.: Confirmation for Comparable Companies Multiple Method**

In connection with the captioned matter, we hereby confirm that this method has not been used in Valuation keeping in view the Valuation Report dated 17th December, 2024, on page no. 8, prepared by Mr. Subodh Kumar. It is mentioned therein as follows:

Comparable Company Multiples (CCM) Method

Under the Comparable Companies Multiple Method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation method is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The base(s) to which a multiple is commonly applied include sales, EBITDA, cash flows and book value. Given this and the non-comparability with listed companies, this method has not been used to calculate the fair value of equity shares of the Companies.

Thanking You,
**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**



**Akhil Malhotra**
**DIN: 00126240**
**Director**

Date: 24.12.2024
Place: Ludhiana

ANNEXURE X

Details of Capital evolution of the transferor company: **RUDRA ECOVATION LIMITED**

**Equity Shares:**

| Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No of shares) | Whether listed, if not listed, give reasons thereof |
|---|---|---|---|---|---|
| 29.12.1979 | 20 | 10 | Subscribers to Memorandum of Association | 20 | Private Company |
| Year 1984 | 1010025 | 10 | Preferential issue | 1010045 | Unlisted public Company |
| Year 1984 | 89955 | 10 | Preferential issue | 1100,000 | Unlisted public Company |
| March, 1985 | 1530000 | 10 | Public issue | 26,30,000 | Listed |
| Year 1990 | 334000 | 10 | Preferential issue | 2964000 | Listed |
| Year 1990 | 41000 | 10 | Public issue | 3005000 | Listed |
| 31.08.2009 | 1502500* | 10 | | 3005000 | Listed |
| 17.06.2010 | 500000 | 10 | BIFR Order | 3505000 | Listed |
| 25.05.2011 | 1120000 | 10 | Preferential issue | 4625000 | Listed |
| 21.05.2012 | 40,00,000 | 16 (Rs.10 F.V. and Rs.6 Premium) | Preferential issue via open offer | 8625000 | Listed |
| 18.12.2014 | Sub division of each Equity Share of Rs.10/- each into 10 Equity Shares of Rs.1/-each. | | | 86250,000 | Listed |
| 25.05.2024 | 1,40,00,000 | 10 | Conversion of warrants into equity shares (Series-I) | 10,02,50,000 | Listed |
| 27.08.2024 | 4705000 | 48 | Conversion of warrants into equity shares (Series-II) | 10,49,55,000 | Listed (Trading Approval Awaited) |
| 10.09.2024 | 1000000 | 10 | Conversion of warrants into equity shares (Series-I) | 10,59,55,000 | Listed |
| 10.09.2024 | 2940000 | 48 | Conversion of warrants into | 10,88,95,000 | Listing under |

| | | | | | |
|---|---|---|---|---|---|
| | | | equity shares (Series-II) | | process |
| 26.09.2024 | 2055000 | 48 | Conversion of warrants into equity shares (Series-II) | 11,90,50,000 | Listing under process |
| 24.10.2024 | 2083000 | 48 | Conversion of warrants into equity shares (Series-II) | 11,30,33,000 | Listing under process |

*As per the sanction scheme dated 21.07.2009, the share capital was reduced to Rs. 5 and consolidated two shares into one and further allowed to induct 1502500 via strategic investors/ promoters to make the total 3005000 equity shares.

**Redeemable Preference Shares:**

| Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No of shares) | Whether listed, if not listed, give reasons thereof |
|---|---|---|---|---|---|
| 01.04.2004 | 165000 | 100 | (16.5% Cumulative Redeemable Preference Shares of 100/- each) | 165000 | Un-listed [Preference shares are not convertible] |
| 31.08.2009 | 1200000 | 100 | (4% Non- Cumulative Redeemable Preference Shares of 100/- each) | 1365000 | Un-listed [Preference shares are not convertible] |
| 28.02.2012 | 15000 | 100 | Redemption of shares (16.5% Cumulative Redeemable Preference Shares of 100/- each) | 1350,000 | Un-listed [Preference shares are not convertible] |
| 30.03.2019 | 150000 | 100 | Redemption of shares (16.5% Cumulative Redeemable Preference Shares of 100/- each) | 1200000 | Un-listed [Preference shares are not convertible] |

**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**

**Akhil Malhotra**
**DIN: 00126240**
**Director**

**Date: 24.12.2024**
**Place: Ludhiana**

**ANUJ GUPTA & ASSOCIATES**
(Chartered Accountants)

SCO-3, 1st Floor,
Surya Shopping Arcade,
National Road, Ghumar Mandi
Ludhiana 141001
Email: ca.anuj1989@gmail.com
M: +91-98768-50522

**ANNEXURE X**

Details of Capital evolution of the transferor company: **RUDRA ECOVATION LIMITED**

**Equity Shares:**

| **Date of Issue** | **No. of shares issued** | **Issue Price (Rs.)** | **Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)** | **Cumulative capital (No of shares)** | **Whether listed, if not listed, give reasons thereof** |
|---|---|---|---|---|---|
| 29.12.1979 | 20 | 10 | Subscribers to Memorandum of Association | 20 | Private Company |
| Year 1984 | 1010025 | 10 | Preferential issue | 1010045 | Unlisted public Company |
| Year 1984 | 89955 | 10 | Preferential issue | 1100,000 | Unlisted public Company |
| March, 1985 | 1530000 | 10 | Public issue | 26,30,000 | Listed |
| Year 1990 | 334000 | 10 | Preferential issue | 2964000 | Listed |
| Year 1990 | 41000 | 10 | Public issue | 3005000 | Listed |
| 31.08.2009 | 1502500* | 10 | | 3005000 | Listed |
| 17.06.2010 | 500000 | 10 | BIFR Order | 3505000 | Listed |
| 25.05.2011 | 1120000 | 10 | Preferential issue | 4625000 | Listed |
| 21.05.2012 | 40,00,000 | 16 (Rs.10 F.V. and Rs.6 Premium) | Preferential issue via open offer | 8625000 | Listed |
| 18.12.2014 | Sub division of each Equity Share of Rs.10/- each into 10 Equity Shares of Rs.1/-each. | | | 86250,000 | Listed |
| 25.05.2024 | 1,40,00,000 | 10 | Conversion of warrants into equity shares (Series-I) | 10,02,50,000 | Listed |
| 27.08.2024 | 4705000 | 48 | Conversion of warrants into equity shares (Series-II) | 10,49,55,000 | Listed (Trading Approval Awaited) |



| | | | | | |
|---|---|---|---|---|---|
| 10.09.2024 | 1000000 | 10 | Conversion of warrants into equity shares (Series-I) | 10,59,55,000 | Listed |
| 10.09.2024 | 2940000 | 48 | Conversion of warrants into equity shares (Series-II) | 10,88,95,000 | Listing under process |
| 26.09.2024 | 2055000 | 48 | Conversion of warrants into equity shares (Series-II) | 11,90,50,000 | Listing under process |
| 24.10.2024 | 2083000 | 48 | Conversion of warrants into equity shares (Series-II) | 11,30,33,000 | Listing under process |

*As per the sanction scheme dated 21.07.2009, the share capital was reduced to Rs. 5 and consolidated two shares into one and further allowed to induct 1502500 via strategic investors/ promoters to make the total 3005000 equity shares.

**Redeemable Preference Shares:**

| **Date of Issue** | **No. of shares issued** | **Issue Price (Rs.)** | **Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)** | **Cumulative capital (No of shares)** | **Whether listed, if not listed, give reasons thereof** |
|---|---|---|---|---|---|
| 01.04.2004 | 165000 | 100 | (16.5% Cumulative Redeemable Preference Shares of 100/- each) | 165000 | Un-listed [Preference shares are not convertible] |
| 31.08.2009 | 1200000 | 100 | (4% Non- Cumulative Redeemable Preference Shares of 100/- each) | 1365000 | Un-listed [Preference shares are not convertible] |
| 28.02.2012 | 15000 | 100 | Redemption of shares (16.5% Cumulative Redeemable Preference Shares of 100/- each) | 1350,000 | Un-listed [Preference shares are not convertible] |
| 30.03.2019 | 150000 | 100 | Redemption of shares (16.5% Cumulative Redeemable Preference Shares of 100/- each) | 1200000 | Un-listed [Preference shares are not convertible] |

**For Anuj Gupta & Associates**
**Chartered Accountants**




**Partner**
**Anuj Gupta**
**M. No 527632**
**FRN No 036392N**

**Date: 24.12.2024**
**Place: Ludhiana**
**UDIN: 24527632BKACQY7574**

SHIVA GROUP

shiva
TEXFABS LIMITED

**Corp. & Regd.Office** : Shiva Group 4th Floor, Wood Stock Tower, Opposite Wave Mall, Ferozepur Road, **Ludhiana**. 141 001 (INDIA)
Phone : 91-161-5184000, E-mail : csstl@shivagroup.info,
CIN : U18101PB1993PLC013745

fibre - yarn - dyeing - technical textiles

**ANNEXURE X**

Details of Capital evolution of the transferee company: **SHIVA TEXFABS LIMITED**

| Date of Issue | No. of shares issued | Issue Price (Rs.) | Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.) | Cumulative capital (No of shares) | Whether listed, if not listed, give reasons thereof |
|---|---|---|---|---|---|
| Incorporation 23.09.1993 | 200 | 100 | Subscribers to Memorandum of Association | 200 | Private Company |
| 31.03.1997 | 15,370 | 100 | Preferential Issue | 15,570 | Private Company |
| 19.05.1997 | 5,630 | 100 | Preferential Issue | 21,200 | Private Company |
| 15.09.1998 | 11,110 | 100 | Preferential Issue | 32,310 | Private Company |
| 17.12.1998 | 10,730 | 100 | Preferential Issue | 43,040 | Private Company |
| 13.03.2000 | 20,000 | 100 | Preferential Issue | 63,040 | Private Company |
| 30.06.2000 | 22,215 | 100 | Preferential Issue | 85,255 | Private Company |
| 28.07.2000 | 75,740 | 100 | Preferential Issue | 1,60,995 | Private Company |
| 05.09.2001 | 36,000 | 100 | Preferential Issue | 1,96,995 | Private Company |
| 17.09.2001 | 40,000 | 100 | Preferential Issue | 2,36,995 | Private Company |
| 24.03.2003 | 1,13,005 | 100 | Preferential Issue | 3,50,000 | Private Company |
| **In the year2004-05, Sub division of each Equity Share of Rs.100/- each into 10 Equity Shares of Rs.10/- each.** | | | | | |
| 03.10.2005 | 20,00,000 | 10 | Preferential Issue | 55,00,000 | Public Unlisted Company |
| 22.04.2006 | 44,00,000 | 10 | Bonus Issue | 99,00,000 | Public Unlisted Company |
| 30.09.2006 | 15,72,500 | 10 | Preferential Issue | 1,14,72,500 | Public Unlisted Company |
| 26.12.2007 | 7,16,000 | 10 | Preferential Issue | 1,21,88,500 | Public Unlisted Company |
| 27.03.2009 | 20,22,000 | 10 | Preferential Issue | 1,42,10,500 | Public Unlisted Company |
| 26.10.2009 | 11,20,000 | 10 | Preferential Issue | 1,53,30,500 | Public Unlisted Company |
| 31.03.2010 | 26,00,000 | 10 | Preferential Issue | 1,79,30,500 | Public Unlisted Company |
| 31.03.2011 | 2,50,000 | 10 | Preferential Issue | 1,81,80,500 | Public Unlisted Company |
| 08.07.2011 | 2,00,000 | 10 | Preferential Issue | 1,83,80,500 | Public Unlisted Company |
| 20.08.2011 | 5,29,500 | 10 | Preferential Issue | 1,89,10,000 | Public Unlisted Company |
| 31.10.2011 | 1,95,000 | 10 | Preferential Issue | 1,91,05,000 | Public Unlisted Company |
| 31.03.2012 | 3,00,000 | 10 | Preferential Issue | 1,94,05,000 | Public Unlisted |

SHIVA GROUP

shiva
TEXFABS LIMITED

**Corp. & Regd.Office :** Shiva Group 4th Floor, Wood Stock Tower, Opposite Wave Mall, Ferozepur Road, **Ludhiana.** 141 001 (INDIA)
Phone : 91-161-5184000, E-mail : cssl@shivagroup.info,
CIN : U18101PB1993PLC013745

fibre - yarn - dyeing - technical textiles

| | | | | | |
|---|---|---|---|---|---|
| | | | | | Company |
| 30.04.2012 | 7,88,888 | 10 | Preferential Issue | 2,01,93,888 | Public Unlisted Company |
| 14.01.2013 | 11,11,113 | 10 | Preferential Issue | 2,13,05,001 | Public Unlisted Company |
| 28.02.2013 | 3,70,370 | 10 | Preferential Issue | 2,16,75,371 | Public Unlisted Company |
| 30.03.2013 | 3,82,962 | 10 | Preferential Issue | 2,20,58,333 | Public Unlisted Company |
| 30.04.2013 | 3,57,142 | 10 | Preferential Issue | 2,24,15,475 | Public Unlisted Company |
| 31.03.2014 | 1,48,571 | 10 | Preferential Issue | 2,25,64,046 | Public Unlisted Company |
| 22.05.2014 | 4,28,570 | 10 | Preferential Issue | 2,29,92,616 | Public Unlisted Company |
| 23.05.2014 | 1,42,856 | 10 | Preferential Issue | 2,31,35,472 | Public Unlisted Company |
| 18.10.2014 | 5,13,520 | 10 | Preferential Issue | 2,36,48,992 | Public Unlisted Company |
| 18.11.2014 | 5,78,522 | 10 | Preferential Issue | 2,42,27,514 | Public Unlisted Company |
| 27.12.2014 | 11,83,046 | 10 | Preferential Issue | 2,54,10,560 | Public Unlisted Company |
| 02.02.2015 | 3,44,512 | 10 | Preferential Issue | 2,57,55,072 | Public Unlisted Company |
| 09.03.2015 | 19,500 | 10 | Preferential Issue | 2,57,74,572 | Public Unlisted Company |
| 27.07.2024 | 23,39,181 | 10 | Conversion of Loan into Equity | 2,81,13,753 | Public Unlisted Company |
| 21.08.2024 | 23,39,181 | 10 | Conversion of Loan into Equity | 3,04,52,934 | Public Unlisted Company |
| 28.08.2024 | 47,01,755* | 10 | Preferential Issue | 3,51,54,689 | Public Unlisted Company |

**(47,01,755 equity shares issued to the Transferor Company which is partly paid-up with Rs. 3.10 per share of paid-up value).*

**For SHIVA TEXFABS LIMITED**

**Akhil Malhotra**
**DIN: 00126240**
**Director**

**Date: 24.12.2024**
**Place: Ludhiana**

**ANUJ GUPTA & ASSOCIATES**
(Chartered Accountants)

SCO-3, 1st Floor,
Surya Shopping Arcade,
National Road, Ghumar Mandi
Ludhiana 141001
Email: ca.anuj1989@gmail.com
M: +91-98768-50522

This is to certify that Capital Evolution of **Shiva Texfabs Limited** having Corporate Identification No U18101PB1993PLC013745, having its registered office address at 4th Floor, Woodstock Tower, B-35/958, Adarsh Nagar, Ferozepur Road, Opposite Waves Mall, Ludhiana-141012, Punjab , detailed as below:

Details of Capital evolution of the transferee company: **SHIVA TEXFABS LIMITED**

| **Date of Issue** | **No. of shares issued** | **Issue Price (Rs.)** | **Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)** | **Cumulative capital (No of shares)** | **Whether listed, if not listed, give reasons thereof** |
|---|---|---|---|---|---|
| Incorporation 23.09.1993 | 200 | 100 | Subscribers to Memorandum of Association | 200 | Private Company |
| 31.03.1997 | 15,370 | 100 | Preferential Issue | 15,570 | Private Company |
| 19.05.1997 | 5,630 | 100 | Preferential Issue | 21,200 | Private Company |
| 15.09.1998 | 11,110 | 100 | Preferential Issue | 32,310 | Private Company |
| 17.12.1998 | 10,730 | 100 | Preferential Issue | 43,040 | Private Company |
| 13.03.2000 | 20,000 | 100 | Preferential Issue | 63,040 | Private Company |
| 30.06.2000 | 22,215 | 100 | Preferential Issue | 85,255 | Private Company |
| 28.07.2000 | 75,740 | 100 | Preferential Issue | 1,60,995 | Private Company |
| 05.09.2001 | 36,000 | 100 | Preferential Issue | 1,96,995 | Private Company |
| 17.09.2001 | 40,000 | 100 | Preferential Issue | 2,36,995 | Private Company |
| 24.03.2003 | 1,13,005 | 100 | Preferential Issue | 3,50,000 | Private Company |
| **In the year2004-05, Sub division of each Equity Share of Rs.100/- each into 10 Equity Shares of Rs.10/- each.** | | | | | |
| 03.10.2005 | 20,00,000 | 10 | Preferential Issue | 55,00,000 | Public Unlisted Company |
| 22.04.2006 | 44,00,000 | 10 | Bonus Issue | 99,00,000 | Public Unlisted Company |
| 30.09.2006 | 15,72,500 | 10 | Preferential Issue | 1,14,72,500 | Public Unlisted Company |
| 26.12.2007 | 7,16,000 | 10 | Preferential Issue | 1,21,88,500 | Public Unlisted Company |
| 27.03.2009 | 20,22,000 | 10 | Preferential Issue | 1,42,10,500 | Public Unlisted Company |
| 26.10.2009 | 11,20,000 | 10 | Preferential Issue | 1,53,30,500 | Public Unlisted Company |
| 31.03.2010 | 26,00,000 | 10 | Preferential Issue | 1,79,30,500 | Public Unlisted Company |
| 31.03.2011 | 2,50,000 | 10 | Preferential Issue | 1,81,80,500 | Public Unlisted Company |
| 08.07.2011 | 2,00,000 | 10 | Preferential Issue | 1,83,80,500 | Public Unlisted Company |
| 20.08.2011 | 5,29,500 | 10 | Preferential Issue | 1,89,10,000 | Public Unlisted |



| | | | | | |
|---|---|---|---|---|---|
| | | | | | Company |
| 31.10.2011 | 1,95,000 | 10 | Preferential Issue | 1,91,05,000 | Public Unlisted Company |
| 31.03.2012 | 3,00,000 | 10 | Preferential Issue | 1,94,05,000 | Public Unlisted Company |
| 30.04.2012 | 7,88,888 | 10 | Preferential Issue | 2,01,93,888 | Public Unlisted Company |
| 14.01.2013 | 11,11,113 | 10 | Preferential Issue | 2,13,05,001 | Public Unlisted Company |
| 28.02.2013 | 3,70,370 | 10 | Preferential Issue | 2,16,75,371 | Public Unlisted Company |
| 30.03.2013 | 3,82,962 | 10 | Preferential Issue | 2,20,58,333 | Public Unlisted Company |
| 30.04.2013 | 3,57,142 | 10 | Preferential Issue | 2,24,15,475 | Public Unlisted Company |
| 31.03.2014 | 1,48,571 | 10 | Preferential Issue | 2,25,64,046 | Public Unlisted Company |
| 22.05.2014 | 4,28,570 | 10 | Preferential Issue | 2,29,92,616 | Public Unlisted Company |
| 23.05.2014 | 1,42,856 | 10 | Preferential Issue | 2,31,35,472 | Public Unlisted Company |
| 18.10.2014 | 5,13,520 | 10 | Preferential Issue | 2,36,48,992 | Public Unlisted Company |
| 18.11.2014 | 5,78,522 | 10 | Preferential Issue | 2,42,27,514 | Public Unlisted Company |
| 27.12.2014 | 11,83,046 | 10 | Preferential Issue | 2,54,10,560 | Public Unlisted Company |
| 02.02.2015 | 3,44,512 | 10 | Preferential Issue | 2,57,55,072 | Public Unlisted Company |
| 09.03.2015 | 19,500 | 10 | Preferential Issue | 2,57,74,572 | Public Unlisted Company |
| 27.07.2024 | 23,39,181 | 10 | Conversion of Loan into Equity | 2,81,13,753 | Public Unlisted Company |
| 21.08.2024 | 23,39,181 | 10 | Conversion of Loan into Equity | 3,04,52,934 | Public Unlisted Company |
| 28.08.2024 | 47,01,755* | 10 | Preferential Issue | 3,51,54,689 | Public Unlisted Company |

**(47,01,755 equity shares issued to the Transferor Company which is partly paid-up with Rs. 3.10 per share of paid-up value).*

**For Anuj Gupta & Associates**
**Chartered Accountants,**
**FRN: 0036392N**




**Anuj Gupta**
**(Partner)**
**M.No: 527632**
**UDIN: 24527632BKACQV1706**

**Place:Ludhiana**
**Date:23.12.2024**

**Date: 24.12.2024**

**To,**
**The General Manager**
**Department of Corporate Services**
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited**

**Details of Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme for the period of recent 8 years**

Dear Sirs,

This has reference to the captioned matter; we hereby confirm in connection with the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited that the following Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme for the period of recent 8 years:

**Transferor Company:** Rudra Ecovation Limited

| Sr. No. | Govt./ Regulatory Authority | Details of Action Taken | Remarks/ Present status |
|---|---|---|---|
| 1 | **Nil** | **Nil** | **Nil** |
| 2 | **Nil** | **Nil** | **Nil** |
| 3 | **Nil** | **Nil** | **Nil** |

**Transferee Company:** Shiva Texfabs Limited

| Sr. No. | Govt./ Regulatory Authority | Details of Action Taken | Remarks/ Present status |
|---|---|---|---|
| 1 | **Nil** | **Nil** | **Nil** |
| 2 | **Nil** | **Nil** | **Nil** |
| 3 | **Nil** | **Nil** | **Nil** |

Thanking You,
**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**

**Akhil Malhotra**
**DIN: 00126240**
**Director**

**Annexure-II**

**Detailed Rationale and benefits of the Scheme**

The circumstances which justify and/or necessitate the proposed Scheme of Amalgamation of Rudra Ecovation Limited with Shiva Texfabs Limited; and benefits of the proposed amalgamation as perceived by the Board of Directors of these Companies, to the Shareholders and other stakeholders are, inter alia, as follows:

i. **Complementary Operations:** The Transferor Company has expertise in spinning operations which complements the Transferee Company's capabilities in recycling and textile manufacturing. The Transferee Company is one of the largest vertically integrated plastic recyclers in Asia and produces PET chips, fibers, and textiles. The proposed Amalgamation will integrate the Transferor Company's spinning operations to streamline the supply chain.

ii. **Enhanced Market Leadership:** The proposed Amalgamation will strengthen the combined entity's position as a global leader in sustainable textiles, leveraging a fully integrated value chain.

iii. **Operational Synergies:** Integration of the Transferor and Transferee Companies will reduce raw material costs and will enhance manufacturing efficiencies. Consolidation of administrative functions and supply chains will improve profitability of the Combined entity.

iv. **Optimized Asset Utilization:** Physical and other infrastructure of the Transferor Company will be utilized more effectively to drive financial and operational gains.

v. **Economies of Scale:** The merged operations will reduce redundancies, improve resource utilization, and drive cost efficiencies. Scale advantages will enable better pricing and competitive market positioning.

vi. **Integrated Value Chain:** Shiva's raw materials directly feed Rudra's spinning processes, which supply yarn for Shiva's textile production. The fully integrated value chain reduces lead times, improves quality consistency, and minimizes waste.

vii. **Flexibility and Adaptability:** The merged entity will gain flexibility to respond to market demands and industry trends.

viii. **Regulatory Support:** Government policies encouraging recycling and sustainability create a favorable environment for expansion.

ix. **Aligned Global Sustainability Commitments:** The proposed Amalgamation aligns with the sustainability commitments of global brands which require increased recycled content in their products and packaging. Shiva's capacity to recycle 4 lakh kg of plastic bottles daily supports these objectives, giving the combined entity a competitive edge and ensuring steady growth opportunities.

x. **Environmental Impact:** Recycling reduces energy consumption by 60% and CO2 emissions by one-third compared to virgin materials. The merged entity's sustainable focus aligns with the environmental priorities of global clients.

xi. **Shareholder Benefits:** The improved financial profile enhances shareholder returns through better growth prospects.

The Scheme of Amalgamation is proposed for the aforesaid reasons. The Board of Directors and Management of the Transferor Company and the Transferee Company is of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.

***

**Date: 24.12.2024**

**To,**
**The General Manager**
**Department of Corporate Services**
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited**

**Confirmation**

Dear Sirs,

This has reference to the captioned matter; we hereby confirm in connection with the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited that:

The proposed Scheme of Amalgamation shall be beneficial for the public shareholder of the listed transferor Company in the following manner:

1. The Scheme shall have positive impact of the overall business and financials of the combined entity due to enhanced market leadership, operational synergies, optimized asset utilization, economies of scale, creation of integrated value chain etc. The improved financial profile enhances shareholder returns through better growth prospects.

2. The pre and post shareholding pattern of the Transferor and the Transferee Company with specific details of the value of public shareholder of listed Transferor Company is as below:

**Listed Transfer Company:**

| Category | Pre-Scheme | | | Pre-Scheme (On fully diluted Basis) | |
|---|---|---|---|---|---|
| | No. of Equity Shares | % | Outstanding Convertible Warrants | No. of Equity Shares | % |
| Promoter | 1,57,91,500 | 13.97 | 45,00,000 | 2,02,91,500 | 16.63 |
| Public | 9,72,41,500 | 86.03 | 44,82,000 | 10,17,23,500 | 83.37 |
| **TOTAL** | **11,30,33,000** | **100.00** | **89,82,000** | **12,20,15,000** | **100.00** |

**Transferee Company:**

| Category | Pre-Scheme | | Allotment/ cancellation pursuant to the Scheme of Amalgamation | | | Post-Scheme (On fully diluted Basis) | |
|---|---|---|---|---|---|---|---|
| | No. of Equity Shares | % | Allotment of Shares pursuant to Scheme | Allotment of Convertible Warrants pursuant to Scheme | Cancellation due to Cross-holding | No. of Equity Shares | % |
| Promoter | 3,49,65,119* | 99.46 | 33,63,590 | 9,58,500 | 70,40,936 | 3,22,46,273 | 59.60 |
| Public Shareholder (Unlisted Company) | 1,89,570 | 0.54 | - | - | - | 1,89,570 | 0.35 |
| Public Shareholder (Listed Company) | - | - | 2,07,12,440 | 9,54,666 | - | 2,16,67,106 | 40.05 |
| **TOTAL** | **3,51,54,689** | **100.00** | **2,40,76,030** | **19,13,166** | **70,40,936** | **5,41,02,949** | **100** |

** Includes 70,40,936(includes 47,01,755 equity shares issued to the Transferor Company which is partly paid-up with Rs. 3.10 per share of paid-up value).*

Thanking You

**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**

**Akhil Malhotra**
**DIN: 00126240**
**Director**

**Date: 24.12.2024**

**To,**
**The General Manager**
**Department of Corporate Services**
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited**

**Confirmation on Tax/other liability/benefit arising to the entities involved in the scheme, if any**

Dear Sirs,

This has reference to the captioned matter; we hereby confirm that as per the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited:

**Para 2.2.5:** With effect from the Appointed Date, all debts (secured and unsecured), liabilities, bonds, debentures (including contingent liabilities), duties and obligations of every kind, nature and description of the Transferor Company shall without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, bonds, debentures (including contingent liabilities), duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company. Further, it shall not be necessary to obtain the Consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause. Necessary modification, as may be required would be carried out to the debt instrument issued by the Transferor Company, if any.

**Para 2.2.6:** Upon this Scheme becoming effective, the secured creditors of the Transferor Company and/or other holders of Encumbrance over the properties of the Transferor Company shall be entitled to encumbrance only in respect of the properties, assets, rights, benefits and interest of the Transferor Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company and the secured creditors of the Transferee Company and/or other holders of encumbrance over the properties of the Transferee Company shall be entitled to encumbrance only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company with the Transferee Company, (a) the secured creditors of the Transferor Company and/or other holders of encumbrance over the properties of the Transferor Company shall not be entitled to any additional encumbrance over the

properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets which are not currently encumbered shall remain free and available for creation of any encumbrance thereon in future in relation to any current or future indebtedness of the Transferee Company; and (b) the secured creditors of the Transferee Company and/or other holders of encumbrance over the properties of the Transferee Company shall not be entitled to any additional encumbrance over the properties, assets, rights, benefits and interest of the Transferor Company and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any encumbrance thereon in future in relation to any current or future indebtedness of the Transferee Company.

**Para 3:**

1.1 On or after the Effective Date, the Companies shall have the right to revise their respective financial statements, returns and tax returns along with the prescribed forms, filings and annexures under the provisions of IT Act (including for the purpose of re-computing income-tax under the normal provisions, minimum alternative tax, and claiming other tax benefits), Wealth Tax Act, 1957, customs duty law, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and services tax, VAT law or other tax laws, and to claim refunds and/or credits for Taxes paid (including minimum alternate tax, tax deducted at source, tax collected at source, goods and service tax etc.), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

1.2 As and from the Effective Date, all tax proceedings of the Transferor Company shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. Further, all tax proceedings shall not in any way be prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

1.3 Any Tax liabilities under the Income Tax Act, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax, VAT law or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, tax collected at source, and MAT credit as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

1.4 Any refund under the IT Act including TDS and TCS, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax including TDS and TCS, Duty drawback or any export benefits, VAT law or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company or due to Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the

accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

1.5 Any tax payment (including, without limitation, income-tax, minimum alternate tax and income tax credits, taxes withheld/ paid in a foreign country, dividend distribution tax, securities transaction tax, sales tax, excise duty, custom duty, service tax, value added tax, goods and service tax etc.) whether by way of deduction/collection at source, advance tax or otherwise, howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company/the Transferee Company including on payables to the Transferee Company/the Transferor Company including on account of investments (if any) held by the Transferee Company in the Transferor Company which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

1.6 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company under the IT Act, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, goods and service tax, VAT law or other applicable laws/ regulations dealing with taxes/ duties/ levies shall be made or deemed to have been made and duly complied with by the Transferee Company.

1.7 All deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as under Sections 40, 40A, 43B, etc., of the IT Act) shall be available for deduction to the Transferee Company as it would have been available to the Transferor Company.

1.8 Subject to the provisions of Section 72A of the IT Act, the accumulated losses and the allowance for unabsorbed depreciation of the Transferor Company, as the case may be, shall be deemed to be the loss and the allowance for unabsorbed depreciation of the Transferee Company.

1.9 Further, the losses and unabsorbed depreciation as per books of account of the Transferor Company as on the date immediately preceding the Appointed Date shall be deemed to be the brought forward losses and unabsorbed depreciation of the Transferee Company for the purpose of computation of book profit to calculate the minimum alternate tax payable by the Transferee Company, in accordance with the applicable provisions of the IT Act.

1.10 Without prejudice to the generality of the above, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, taxes withheld/ paid in a foreign

country, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, goods and service tax, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company upon coming into effect of this Scheme.

It is confirmed that apart from the above, there shall be no special implication on tax/other liabilities/ benefits arising due to the proposed Scheme of Amalgamation.

Thanking You

**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**

**Akhil Malhotra**
**DIN: 00126240**
**Director**

**Date: 24.12.2024**

**To,**
**The General Manager**
**Department of Corporate Services**
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited**

**Comments on the Accounting Treatment and the Confirmation**

Dear Sirs,

This has reference to the captioned matter; we hereby confirm the following account treatment for the purpose of the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited:

**1.11** Upon the Scheme becoming effective, Amalgamation of the Transferor Company with the Transferee Company and other connected matters will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.

**1.12** The Transferee Company shall give effect of the proposed Amalgamation in its books of accounts in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.

**1.13** Without prejudice to the generality of the aforesaid, following are the salient features of the accounting treatment to be given:

**i.** All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective carrying values as reflected in the books of the Transferor Company as on the Appointed Date.

**ii.** To the extent, there are any inter-corporate loans, advances, payable/receivable or any other inter-company balances between the Transferor Company and the Transferee Company, the rights and obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company. Similarly, any cross holding of shares, as on the Record Date,

between the Transferor Company and the Transferee Company, if any, shall stand cancelled.

iii. All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit &Loss Accounts of the Transferor and Transferee Companies will also be clubbed together.

iv. Any deficit arising out of Amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be adjusted against reserves and surplus, in that order, in the books of the Transferee Company. Whereas any surplus arising out of Amalgamation (including on account of cancelling of cross holdings or any other inter-company balances) shall be credited to capital reserve.

v. Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the Amalgamation.

1.14 It is, however, clarified that the Board of Directors of the Transferee Company, in consultation with the Statutory Auditors, may account for the present Amalgamation and other Scheme matters in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

**Confirmation:** This has reference to the captioned matter; we hereby confirm that that accounting treatment as per the Proposed Scheme of Amalgamation is in compliance with the Accounting Standards/Indian Accounting Standards.

Thanking You

**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**

**Akhil Malhotra**
**DIN: 00126240**
**Director**

To,
The General Manager,
Department of Corporate Services
**BSE Limited**
P.J. Towers, Dalal Street
Mumbai – 400 001

Dear Sir,

**Sub.: If the Income Approach Method used in the Valuation, Revenue , PAT and EBIDTA and the reasons justifying the EBIDTA/PAT margin considered in the Valuation Report.**

The Income Approach Method has been adopted in the Valuation, Revenue, PAT and EBIDTA (in value and percentage terms) and number and figures are self explanatory in Valuation Report dated 17th December, 2024 prepared by Mr. Subodh Kumar.

Thanking You,
**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**

**Akhil Malhotra**
**Director**
**DIN: 00126240**

Date: 24.12.2024
Place: Ludhiana

Date: 24.12.2024

To,
**The General Manager**
**Department of Corporate Services**
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited**

**Confirmation**

Dear Sirs,

This has reference to the captioned matter; we hereby confirm that the valuation in the matter of the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited is in accordance with applicable valuation standards.

Thanking You

**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**

**Akhil Malhotra**
**DIN: 00126240**
**Director**

**Date: 24.12.2024**

**To,**
**The General Manager**
**Department of Corporate Services**
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited**

**Confirmation**

Dear Sirs,

This has reference to the captioned matter; we hereby confirm that the Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited is in compliance with the applicable securities laws.

Thanking You

**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**

**Akhil Malhotra**
**DIN: 00126240**
**Director**

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**Date: 24.12.2024**

**To,**
**The General Manager**
**Department of Corporate Services**
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

**Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited**

**Confirmation**

Dear Sirs,

This has reference to the captioned matter; we hereby confirm that the arrangement proposed in the Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd) and Shiva Texfabs Limited is yet to be executed.

Thanking You

**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**

**Akhil Malhotra**
**DIN: 00126240**
**Director**

**Pre-Scheme Equity and Preference Shareholding Pattern of the Transferor Company- Rudra Ecovation Limited is given below:**

**Equity Shareholding Pattern:**

| Sl. No. | Category | Pre-Scheme | |
|---|---|---|---|
| | | No. of fully paid-up Equity Shares of ₹1 each | % of total Equity Share Capital |
| 1. | Shareholding of Promoters & Promoters' Group (A) | 1,85,71,500 | 15.56 |
| 2. | Public Shareholding (B) | 10,07,56,500 | 84.44 |
| | **Total (A+B)** | **11,93,28,000** | **100** |

**Preference Shareholding Pattern:**

| Sl. No. | Category | Pre-Scheme | |
|---|---|---|---|
| | | No. of fully paid-up Preference Shares of ₹100 each | % of total Preference Share Capital |
| 1. | Shareholding of Promoters & Promoters' Group (A) | 12,00,000 | 100 |
| 2. | Public Shareholding (B) | - | - |
| | **Total (A+B)** | **12,00,000** | **100** |

**Pre-Scheme and Post-Scheme Equity Shareholding Pattern of the Transferee Company – Shiva Texfabs Limited is given below:**

| Sl. No. | Category | Pre-Scheme | | | Post-Scheme | |
|---|---|---|---|---|---|---|
| | | **No. of fully paid-up Equity Shares of ₹10 each** | **No. of Partly paid-up Equity Shares of ₹10 each** | **% of total Equity Share Capital** | **No. of fully paid-up Equity Shares of ₹10 each** | **% of total Equity Share Capital** |
| **1.** | Shareholding of Promoters & Promoters' Group (A) | 3,02,63,364 | 47,01,755 | 99.46 | 3,18,79,913 | 59.55 |
| **2.** | Public Shareholding (B) | 1,89,570 | - | 0.54 | 2,16,50,704 | 40.45 |
| | **Total (A+B)** | **3,04,52,934** | **47,01,755** | **100** | **5,35,30,617** | **100** |

***Note:***

*a) 70,40,936 Equity Shares of Rudra Ecovation Limited held by Shiva Texfabs Limited shall be cancelled on account of cross holding*

b) *12,00,000 Preference Shares of Rudra Ecovation Limited held by Shiva Texfabs Limited shall be cancelled on account of cross holding*

**Manjul Mittal & Associates**
**Chartered Accountants**
GSTIN:03ABCFM3460B1ZY

# INDEPENDENT AUDITOR'S REPORT

**To the Members of**
**Rudra Ecovation Limited**
**(Formerly Himachal Fibres Limited)**
**CIN - L43292HP1980PLC031020**

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

### Opinion

We have audited the accompanying standalone Ind AS financial statements of **M/s. Rudra Evocation Limited (Formerly Himachal Fibres Limited) ("the Company"),** which comprise the Balance Sheet as at 31 March 2025, 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 (hereinafter referred to as the "standalone financial statements").

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 2025, its profit and other comprehensive income, changes in equity and its cash flows 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. Our opinion is not modified in respect of the matter described in the Emphasis of Matter paragraph.

### Emphasis of Matter

- We draw attention to Note No. 5 to the annual financial statements, 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. 426.47 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 2025.

H.O.: 32, Green Enclave, Near Chanda Mama School, Near Ferozepur Road Octori Post, Barewal, Ludhiana-141001
B.O. 1st Floor, SCO-07, Sector-30D, Chandigarh-160030
Mobile No.+91-7888490455; email: manjul2978@gmail.com

- We draw attention to Note 4 to the annual financial statements, which describes that the company has acquired the equity shares of M/s Shiva Texfabs Limited. The Board has approved the scheme of Amalgamation of Rudra Ecovation Limited (formerly Himachal Fibre Limited) with Shiva Texfabs Limited on dated 23.12.2024 and filed with Department of Corporate Services, BSE Limited, Mumbai under regulation 37 of SEBI (listing obligation & Disclosure requirements), Regulation, 2015 which is pending for NOC by BSE and SEBI

  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 |
|---|---|
| During the year under review, the company has issued and allotted 2,07,65,000 convertible warrants at a price of Rs. 48/- per warrant to the promoters & non-promoters on preferential basis with a right to the warrant holders to apply for and be allotted one fully paid up equity share of the company of face value of Rs. 1/- each at a premium of Rs. 47/- per share for each warrant with in a period of 18 months from the date of allotment of warrants.<br><br>This transaction is significant due to its impact on the capital structure and the complexity involved in assessing compliance with the applicable provisions of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, and the applicable Ind AS accounting treatment, specifically Ind AS 32.<br><br>Accordingly, this matter was of particular significance in our audit. | Our procedures included, but were not limited to, the following:<br><br>• Obtained and reviewed board and shareholder resolutions approving the issue of warrants.<br>• Verified compliance with applicable provisions of the Companies Act, 2013<br>• Reviewed the approval letter from the stock exchange.<br>• Assessed the accounting treatment of the warrants under Ind AS 32, ensuring that the amount received was correctly classified under "Money received against share warrants" under Other Equity.<br>• Evaluated the related disclosures made in the notes to the financial statements to ensure adequacy and compliance with the financial reporting framework.<br><br>Based on the procedures performed, we found the accounting treatment and disclosures to be appropriate. |



**Information Other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) 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 ad 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.



**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.

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



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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure 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:

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 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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) Based on our examination of the books of account and according to the information and explanations given to us, the Company has paid managerial remuneration during the year. In our opinion, the remuneration paid is in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, 2013 and does not exceed the prescribed limits. Further, requisite approvals as mandated under the Act have been obtained by the Company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 29 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 2025.

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



v. The Company has not declared/paid any dividend to the shareholders during the year under review.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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

**DATED: 29th May 2025**
**PLACE: LUDHIANA**

**MANJUL MITTAL**
**PARTNER**
**(M.NO.500559)**
**UDIN: 25500559BMLKKM8352**

## "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 Rudra Ecovation Limited (Formerly Himachal Fibres Limited)** ("the Company") for the year ended March 31, 2025:

i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets;

(B) The Company has no intangible assets for the year ended March 31, 2025.

(b) The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(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 all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii)(a) The management has conducted the physical verification of inventory at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate. 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.

b) According to the information and explanation given to us and on the basis of our examination of the records, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks/financial on the basis of the security of current assets. The company is not availing any working capital limits from any Bank/Financial Institutions. Therefore, reporting under clause 3(ii)(b) of the Order is not applicable.



iii) The company has acquired the equity shares of M/s Shiva Texfabs Limited. The Board has approved the scheme of Amalgamation of Rudra Ecovation Limited (formerly Himachal Fibre Limited) with Shiva Texfabs Limited on dated 23.12.2024 and filed with Department of Corporate Services, BSE Limited, Mumbai under regulation 37 of SEBI (listing obligation & Disclosure requirements), Regulation, 2015 which is pending for NOC by BSE and SEBI

iv) In our opinion and according to the information and explanations given to us, the provisions of sections 185 and 186 of the Companies Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantees, and securities given have been complied with by the company.

v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi) Maintenance of cost records under Section 148(1) of the Companies Act, 2013 are not applicable on the company. Hence, reporting under clause 3(vi) of the Order is not commented upon.

vii) (a) In our opinion, the Company has not been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable except following:-.

| S. No. | Statute | Nature | Amount in Lakhs |
|---|---|---|---|
| 1 | Himachal Pradesh Sales Tax Act | Works Contract Tax Payable | 1.36 |
| 2 | Finance Act, 2005 | Service Tax Payable | 0.04 |
| 3 | Employee's State Insurance Act, 1948 | E.S.I. Payable | 0.33 |
| 4 | Income Tax Act, 1961 | TDS / TCS Payable | 19.38 |

b) According to the information and explanations given to us and the records of the Company examined by us, the following dues of Income Tax have not been deposited on account of dispute as on March 31, 2025.



| Name of the Statute | Nature of the Dues | Amount (₹ in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 3.52 | AY 2013-14 | As informed to us, Not challenged by the assessee in any forum |
| Income Tax Act, 1961 | TDS/TCS | 2.23 | Prior Years | As informed to us, Not challenged by the assessee in any forum |

viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender during the year under review.

(b) In our opinion and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable

(d) The Company has not raised any fresh short term loan during the year. Therefore, the provisions of clause 3 (ix) (d) of the Order could not be commented upon.

(e) The company has no subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3 (ix) (e) of the Order are not applicable to the Company and hence not commented upon.

(f) The company has no subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3 (ix) (f) of the Order are not applicable to the Company and hence not commented upon.

x) (a) 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) during the year under review. Accordingly, the provisions of clause 3 (x) (a) of the Order are not applicable to the Company and hence not commented upon.

(b) The company had allotted 1,50,00,000 convertible warrants at a price of Rs. 10/- per warrant on 08.11.2023 to non-promoters on preferential basis with a right to the warrant holders to apply for and be allotted 1 fully paid up equity share of the company of face value of Rs. 1/- each at a premium of Rs. 9/- per share for each warrant with in a period of 18 months from the date of allotment of warrants. Out of it, following warrants converted into equity shares on receipts of 75% of issue price per warrant during the year under review.

| Date of Conversion of Warrants into equity shares | No. of Equity Shares |
|---|---|
| 25.05.2024 | 14000000 |
| 10.09.2024 | 1000000 |
| **Total** | **15000000** |

Further the company has allotted 2,07,65,000 convertible warrants at a price of Rs. 48/- per warrant on 11.07.2024 to the promoter and non-promoters on preferential basis with a right to the warrant holders to apply for and be allotted 1 fully paid up equity share of the company of face value of Rs. 1/- each at a premium of Rs. 47/- per share for each warrant with in a period of 18 months from the date of allotment of warrants. Out of it, following warrants converted into equity shares on receipts of 75% of issue price per warrant during the year under review.

| Date of Conversion of Warrants into equity shares | No. of Equity Shares |
|---|---|
| 27.08.2024 | 4705000 |
| 10.09.2024 | 2940000 |
| 26.09.2024 | 2055000 |
| 24.10.2024 | 2083000 |
| 10.01.2025 | 1335000 |
| **Total** | **13118000** |

xi) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As per the information & Explanation provided to us, No whistle blower complaints has been received by the Company during the year (and upto the date of this report).

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

xiii) In our opinion, all other transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, and the details have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv) 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.



xvi) (a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934(2 of 1934) and accordingly, the provisions of clause 3 (xvi)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii) According to the information and explanations given to us and based on our audit, the Company has incurred cash losses of ₹ 234.48 Lakhs in the financial year. However, it has not incurred any cash losses in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year under review.

xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) Section 135 of the Companies Act is not applicable to the company; therefore reporting under clause 3(xx) of the Order is not applicable.

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

**DATED: 29th May 2025**
**PLACE: LUDHIANA**

**MANJUL MITTAL**
**PARTNER**
**(M.NO.500559)**
**UDIN: 25500559BMLKKM8352**

**"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of M/s Rudra Ecovation Limited (Formerly 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. Rudra Evocation Limited (Formerly Himachal Fibres Limited) ("the Company"),** as of March 31, 2025 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, 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, 2025, 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: 29th May 2025**
**PLACE: LUDHIANA**

**MANJUL MITTAL**
**PARTNER**
**(M.NO.500559)**
**UDIN: 25500559BMLKKM8352**

**Rudra Ecovation Limited**
**(Formerly Himachal Fibres Limited)**

**Notes to financial statements for the year ended 31st March 2025**

1. **Corporate Information**

Rudra Ecovation Limited (Formerly Himachal Fibres Limited) (hereinafter referred to as "the Company") is a Company incorporated and domiciled in India with its registered office is at Plot No. 43-44, Industrial Area, Barotiwala, District Solan, Himachal Pradesh. Corporate identification number of the company is L17119HP1980PLC031020and the company is engaged in the business of manufacturing and sale of cotton polyester yarn and knitted clothes.

2. **Significant accounting policies**

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

**(a) Basis of preparation and presentation**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") including the rules notified under the Companies Act, 2013 amended from time to time.

The financial statements were authorized for issue by the Company's Board of Directors on 29th May, 2025.

**(b) Basis of measurement**

The financial statements have been prepared under the historical cost convention on accrual basis except for the following items:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets. Or Employee's Defined Benefit Plan as per actuarial valuation.

**(c) Functional and Presentation Currency**

The financial statements are presented in Indian Rupees, which is also the Company's the functional currency.

**(d) Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and judgment that affect the reported amounts of assets, liabilities, income, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. Actual results may differ from these



estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The area involving significant estimates and judgments are:

- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Measurement of defined benefit obligations: key actuarial assumptions
- Estimation of useful lives of property, plant and equipment and intangible assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

**(e) Current / non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A Liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.



## (f) Property, plant and equipment

**Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located and condition necessary for it to be capable of operating in.

An item of property, plant and equipment and any significant part initially recognized the manner intended by management.. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognized.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress.

**Subsequent expenditure**

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-today repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

**Depreciation**

Depreciation on property, plant and equipment has been provided on Straight line method in the manner and over the useful life of the assets prescribed under Part 'C' of Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

## (g) Impairment

**Impairment of financial assets**

The Company recognizes loss allowance for expected credit losses on financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired'



when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default in payment within the due date;
- the restructuring of a loan or advance by the entity on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any) is held.

**Measurement of expected credit losses**

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.



**Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value on an appropriate discount factor.

**(h) Inventories**

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost in respect of different classifications of inventories is computed as under:

- in case of raw material, stores and spares, diesel and packing material at first-in-first-out (FIFO) cost method plus direct expenses.

- in case of work-in-progress at raw material cost (determined on FIFO cost method) plus appropriate portion of conversion cost and other overheads incurred depending upon the stage of completion.

- in case of finished goods at raw material cost (determined on FIFO cost method) plus conversion cost, packing cost and other overheads incurred to bring the goods up to their present location and condition.

- Saleable waste/ Scrap has been valued at estimated net realizable value.

- Goods/ material in transit are valued at realizable value to date.

**(i) Foreign currency transactions**

Transactions in foreign currencies are recorded by the Company entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of Profit and Loss

**(j) Employee benefits**

- **Short-term employee benefits**

  Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal

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or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

- **Defined contribution plans**
  A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

- **Defined benefit plans**
  A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

  The calculation of defined benefit obligation is performed quarterly/annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

  Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

  When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.



**(k) Revenue recognition**

- **Revenue from Sale of goods**
- Revenue is measured at the fair value of the consideration received or receivable. Sales are recognized when the significant risks and rewards of ownership which coincide with transfer of controls of goods, are transferred to the buyer as per terms of contract and are recognized. Amounts disclosed as revenue is net of returns, trade discounts, Good and Service Tax (GST) and amount collected on behalf of third parties.
- The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the company.

- **Revenue from other than sale of goods**
- Revenue (other than sale) is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- Insurance claims are accounted for on an accrual basis, to the extent these are measurable and ultimate collection is reasonably certain.

**(l) Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method (EIR). Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(m)Borrowing costs**

Borrowing cost are interest and other costs incurred in connection with borrowing of funds. Borrowing costs directly attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.



**(n) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right of use assets**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| Particulars | Lease Term |
|---|---|
| Leasehold Land | 99 Years |

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**ii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases except in case of lease contracts with related parties since there exist economic incentive for the Company to continue using the leased premises for a period longer than the 11 months and considering the contract is with the related parties, it does not foresee non-renewal of the lease term for future periods, thus basis the substance and economics of the arrangements, management believes that under Ind AS 116, the lease terms in the arrangements with related parties have been determined considering the period for which management has an economic incentive to use the leased asset (i.e. reasonable certain to use the asset for the said period of economic incentive). Such assessment of incremental period is based on management assessment of various factors including the remaining useful life of the asset as on the date of transition. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs

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incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

**(o) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

**i. Financial Assets**

**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Classifications**

The company classifies its financial assets as subsequently measured at either amortized cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

**Business model assessment**

The company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

**Debt instruments at amortized cost**

A financial asset is measured at amortized cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.



**Debt instrument at fair value through Other Comprehensive Income (FVOCI)**

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

**Debt instrument at fair value through profit and loss (FVTPL)**

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**ii. Equity Instruments**

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

**De-recognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained



substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

**Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables.

**iii. Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of amortized cost, net of directly attributable transaction costs.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial Liabilities measured at amortized cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process.



Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**Financial liabilities at fair value through profit or loss**
Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

**Gains or losses on liabilities held for trading are recognized in the profit or loss.**
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

**Derivative financial instruments**
Foreign exchange forward contracts are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies. The Company recognizes all derivatives as assets or liabilities measured at their fair value. The changes by marked to market then at each reporting date and the related gains (losses) are recognized in the Statement of Profit and Loss.

**De-recognition of financial liabilities**
The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

**(p) Measurement of fair values**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(q) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities

**(r) Earning per share**

Basic earning per share (EPS) are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

**(s) Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Contingent assets are disclosed in the financial statements.

**(t) Taxation**

Income tax comprises current and deferred tax. It is recognized in Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.



i. **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii. **Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.



**Rudra Ecovation Limited**
(Formerly Himachal Fibres Limited)
CIN: L43292HP1980PLC031020

*(Rs in Lakhs)*

**Balance Sheet as at 31st March 2025**

(All amount in Lakhs of Indian Rupees, except share data and stated otherwise)

| Particulars | Note No. | As at 31.03.2025 | | As at 31.03.2024 | |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| (a) Property, Plant and Equipment | 3 | 1,112.88 | | 1,144.20 | |
| (b) Capital Work in Progress | | 0.00 | | 0.00 | |
| (c) Right-of-use assets | | 5.86 | | 5.97 | |
| (d) Financial Assets | | | | | |
| (e) Investments | 4 | 9,627.37 | | 0.00 | |
| (f) Deferred tax assets (net) | | 255.40 | | 234.35 | |
| (g) Other non-current assets | 5 | 454.53 | 11,456.04 | 1,580.54 | 2,965.06 |
| **Current assets** | | | | | |
| (a) Inventories | 6 | 981.54 | | 529.38 | |
| (b) Financial Assets | | | | | |
| (i) Trade receivables | 7 | 74.04 | | 242.93 | |
| (ii) Cash and cash equivalents | 8 | 11.52 | | 254.67 | |
| (c) Current Tax Assets (Net) | 9 | 2.80 | | 4.83 | |
| (d) Other Current Assets | 10 | 129.21 | | 87.90 | |
| (e) Short Term Loans & Advances | | 0.00 | 1,199.11 | 0.00 | 1,119.71 |
| **Total Assets** | | | **12,655.15** | | **4,084.77** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| (a) Equity Share capital | 11 | 1,143.68 | | 862.50 | |
| (b) Other Equity | 12 | 8,486.17 | | 1,293.77 | |
| (c) Money received against share warrants | | 917.64 | 10,547.49 | 618.75 | 2,775.02 |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 13 | 73.55 | | 64.52 | |
| (ii) Other Long Term Liabilities | 14 | 982.29 | | 854.17 | |
| (b) Provisions | 15 | 20.28 | 1,076.12 | 16.67 | 935.36 |
| **Current liabilities** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | | 0.00 | | 0.00 | |
| (ii) Trade Payables | 16 | | | | |
| I. Dues to Micro and Small Enterprise (MSE) | | 0.00 | | 31.82 | |
| II. Other than MSE Dues | | 70.38 | | 22.30 | |
| (iii) Other financial liabilities | 17 | 230.00 | | 175.30 | |
| (b) Other current liabilities | 18 | 728.94 | | 142.98 | |
| (c) Provisions | 19 | 2.22 | 1,031.54 | 1.99 | 374.39 |
| **Total Equity and Liabilities** | | | **12,655.15** | | **4,084.77** |

As per our attached report of even date
For **Manish Mittal & Associates**
Chartered Accountants
Firm Reg. No. 018833N

**MANISH MITTAL**
PARTNER
M.NO. 200559
UDIN: 25500559BMLKKM8352

**Dated- 29.05.2025**
**Place- Ludhiana**

For and on behalf of the Board of Directors of
**Rudra Ecovation Limited**

**Gian Chand Thakur**
(Whole Time Director)
DIN : 07016447

**Akhil Malhotra**
(Director)
DIN : 00126240

**Ravi Passi**
(CFO)

**Nancy Singla**
(Company Secretary)

**Rudra Ecovation Limited**
(Formerly Himachal Fibres Limited)
CIN: L43292HP1980PLC031020

**Rudra Ecovation Limited**
(Formerly Himachal Fibres Limited)
**Statement of Profit and Loss for the period ended 31st March 2025** *(Rs in Lakhs)*
(All amount in Lakhs of Indian Rupees, except share data and stated otherwise)

| Particulars | Note No. | For the period ended 31.03.2025 | For the year ended 31.03.2024 |
|---|---|---|---|
| **REVENUE** | | | |
| Revenue from operations | 20 | 2,659.21 | 1,961.79 |
| Other Income | 21 | 76.03 | 85.71 |
| **Total Income** | | **2,735.24** | **2,047.50** |
| **EXPENSES** | | | |
| Cost of materials consumed | 22 | 1,662.33 | 923.20 |
| Changes in inventories of finished goods and work-in-progress | 23 | 117.28 | 76.37 |
| Employee benefits expense | 24 | 470.94 | 437.27 |
| Finance costs | 25 | 145.71 | 170.10 |
| Depreciation expense | 26 | 115.56 | 130.31 |
| Other expenses | 27 | 573.46 | 425.89 |
| **Total Expenses** | | **3,085.28** | **2,163.14** |
| **Profit/ - Loss before exceptional items and tax** | | (350.03) | (115.64) |
| Exceptional items-Expenses/(Income) | | - | - |
| **Profit/ - Loss before tax** | | (350.03) | (115.64) |
| Less tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | (21.05) | (51.59) |
| **Profit/ - Loss for the period** | | **(328.98)** | **(64.05)** |
| Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurement of post-employment benefit Obligations | | 10.24 | 10.57 |
| Changes in fair value of FVOCI equity instruments | | 2.25 | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | | |
| B (i) Items that will be reclassified to profit or loss | | | |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | | |
| **Total Comprehensive Income for the period** | | **(316.49)** | **(53.48)** |
| **Earnings per equity share:** | | | |
| (Nominal value of equity share - Rupee 1/-) | | | |
| Basic | | (0.30) | (0.07) |
| Diluted | | (0.30) | (0.07) |

As per our attached report of even date
**For Manjul Mittal & Associates**
Chartered Accountants
Firm Reg.No. [illegible]39N

**MANJUL MITTAL**
PARTNER
M.NO. 500559
UDIN: 25500559BMLKKM8352

**Dated- 29.05.2025**
**Place- Ludhiana**

For and on behalf of the Board of Directors of
**Rudra Ecovation Limited**

| | |
|---|---|
| **Gian Chand Thakur** | **Akhil Malhotra** |
| (Whole Time Director) | (Director) |
| DIN : 07006447 | DIN : 00126240 |
| **Ravi Passi** | **Nancy Singla** |
| (CFO) | (Company Secretary) |

Rudra Ecovation Limited
(Formerly Himachal Fibres Limited)

**CASH FLOW STATEMENT FOR THE YEAR ENDING 31st March'2025** *(Rs in Lakhs)*

(All amount in Lakhs of Indian Rupees, except share data and stated otherwise)

| | PARTICULARS | AS AT 31.03.2025 (Audited) | AS AT 31.03.2024 (Audited) |
|---|---|---|---|
| A. | **CASH FLOW FROM/USED IN OPERATING ACTIVITIES** | | |
| | NET PROFIT BEFORE TAX | (337.54) | (105.07) |
| | **ADJUSTMENTS FOR:** | | |
| | DEPRECIATION | 115.56 | 130.31 |
| | MISCELLENOUS EXPENSES WRITTEN OFF | | - |
| | INTEREST EXPENSES | 145.71 | 170.10 |
| | INTEREST INCOME | (4.63) | (4.09) |
| | **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | **(80.90)** | **191.25** |
| | ADJUSTMENTS FOR: | | |
| | (INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES | 1,294.91 | 763.10 |
| | (INCREASE)/DECREASE IN INVENTORIES | (452.17) | 69.59 |
| | INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER LIABILITIE | 788.89 | (651.41) |
| | INCREASE /(DECREASE) IN LOANS & ADVANCES | (39.29) | - |
| | **CASH GENERATED FROM OPERATIONS** | **1,511.44** | **372.53** |
| | INCOME TAX PAID | 6.57 | 15.97 |
| | **NET CASH FROM/USED IN OPERATING ACTIVITIES** | **1,504.87** | **356.56** |
| B. | **CASH FLOW FROM/USED IN INVESTING ACTIVITIES** | | |
| | PURCHASE OF FIXED ASSETS | (84.13) | (90.15) |
| | PURCHASE OF INVESTMENTS | (9,627.37) | - |
| | INTEREST RECEIVED | 4.63 | 4.09 |
| | **NET CASH FROM/USED IN INVESTING ACTIVITIES** | **(9,706.87)** | **(86.06)** |
| C. | **CASH FLOW FROM/USED IN FINANCING ACTIVITIES** | | |
| | PROCEEDS FROM ISSUE OF SHARE WARRANTS | 298.89 | 618.75 |
| | (REPAYMENT) RECEIPT OF LONG TERM BORROWINGS | 9.03 | 119.34 |
| | CHANGES IN WORKING CAPITAL LOANS/SHORT TERM BORROWINGS | 0.00 | (600.00) |
| | INCREASE/(DECREASE) IN SHARE CAPITAL | 281.18 | - |
| | INCREASE/(DECREASE) IN OTHER EQUITY | 7,515.46 | - |
| | INTEREST PAID | (145.71) | (170.10) |
| | **NET CASH FROM/USED IN FINANCING ACTIVITIES** | **7,958.85** | **(32.01)** |
| | NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVLANTS | (243.14) | 238.49 |
| | OPENING CASH AND CASH EQUIVALENTS | 254.67 | 16.18 |
| | CLOSING CASH AND CASH EQUIVLALENTS | 11.52 | 254.67 |

As per our attached report of even date
For **Manjul Mittal & Associates**
Chartered Accountants
F[illegible]039N

MANJUL MITTAL
PARTNER
M.NO. 500559
UDIN: 25500559BMLKKM8352

For and on behalf of the Board of Directors of
**Rudra Ecovation Limited**

**Gian Chand Thakur**
(Whole Time Director)
DIN : 07006447

**Akhil Malhotra**
(Director)
DIN : 00126240

**Ravi Passi**
(CFO)

**Nancy Singla**
(Company Secretary)

**Rudra Ecovation Limited** Note No. 3

[Formerly Himachal Fibres Limited]

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.03.2025

(Rs in Lakhs)

(All amount in Lakhs of Indian Rupees, except share data and stated otherwise)

| Note No. | Description of assets | Gross carrying amount | | | | Depreciation | | | | Net carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As at 01.04.2024 | Additions during the period | Disposal | 31.03.2025 | Opening accumulated depreciation | Depreciation for the per- 31.03.2025 | Eliminated on disposal of assets | Closing accumulated depreciation | As at 31.03.2025 | As at 31.03.2024 |
| 3. | Property, plant and equipment | | | | | | | | | | |
| | At Works | | | | | | | | | | |
| | Freehold Land | 0.82 | - | - | 0.82 | - | - | - | - | 0.82 | 0.82 |
| | Total | 0.82 | - | - | 0.82 | - | - | - | - | 0.82 | 0.82 |
| | Buildings | 1,304.75 | - | - | 1,304.75 | 695.20 | 30.99 | - | 696.19 | 608.56 | 609.54 |
| | Plant and equipment | 3,847.77 | 84.13 | - | 3,931.89 | 3,210.24 | 84.01 | - | 3,294.24 | 637.65 | 637.53 |
| | Furniture and fixtures | 18.65 | - | - | 18.65 | 18.16 | - | - | 18.16 | 0.49 | 0.49 |
| | Vehicles | 35.69 | - | - | 35.69 | 34.43 | - | - | 34.43 | 1.26 | 1.26 |
| | Office equipments | 6.29 | - | - | 6.29 | 6.08 | - | - | 6.08 | 0.21 | 0.21 |
| | Computers | 9.24 | - | - | 9.24 | 8.78 | - | - | 8.78 | 0.46 | 0.46 |
| | Mobile Phones | 0.35 | - | - | 0.35 | 0.33 | - | - | 0.33 | 0.02 | 0.02 |
| | Electrical Fittings | 8.39 | - | - | 8.39 | 5.85 | 0.27 | - | 6.12 | 2.55 | 2.81 |
| | Weighing Machines | 0.85 | - | - | 0.85 | 0.59 | 0.06 | - | 0.65 | 0.21 | 0.27 |
| | Tubewell | 3.25 | - | - | 3.25 | 3.09 | - | - | 3.09 | 0.15 | 0.15 |
| | | - | - | - | | | | | | | |
| | At Ludhiana Office | - | - | - | | | | | | | |
| | Office equipments | 0.43 | - | - | 0.43 | 0.40 | - | - | 0.40 | 0.02 | 0.02 |
| | Computers | 5.80 | - | - | 5.80 | 5.51 | - | - | 5.51 | 0.29 | 0.29 |
| | Mobile Phones | 1.49 | - | - | 1.49 | 1.28 | 0.14 | - | 1.42 | 0.07 | 0.21 |
| | Total | 5,243.76 | 84.13 | - | 5,327.90 | 4,099.58 | 113.45 | - | 4,213.03 | 1,113.86 | 1,144.26 |
| | Previous Year Total | 5,163.63 | 80.15 | - | 5,243.78 | 3,969.37 | 130.21 | - | 4,099.58 | 1,144.20 | 1,194.26 |

Rudra Ecovation Limited
(Formerly Himachal Fibres Limited)
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.03.2025 *(Rs in Lakhs)*

(All amount in Lakhs of Indian Rupees, except share data and unless otherwise

| Note No. | Particulars | As at 31.03.2025 | | As at 31.03.2024 | |
|---|---|---|---|---|---|
| 4 | **Long Term Investments** | | | | |
| | Investment at fair value through other comprehensive income | No. of Shares | | No. of Shares | |
| | Shiva Texfabs Limited (Equity Shares of Rs.10/- each at price of Rs.213.75 Each Fully paid up) | 2339161 | 5001.17 | 0 | - |
| | Shiva Texfabs Limited (Equity Shares of Rs.10/- each at price of Rs.213.75 Each Partly paid up) | 4701755 | 4626.20 | 0 | - |
| | **Total** | | 9,627.37 | | - |
| 5 | **Other non-current assets** | | | | |
| | Capital Advances | | 6.40 | | 6.40 |
| | Security deposits | | 21.65 | | 21.65 |
| | **Trade receivables** | | | | |
| | -Unsecured, considered good : | | | | |
| | Less than 6 months | - | | - | |
| | 6 Months to 1 Year | - | | - | |
| | 1-2 Years | - | | - | |
| | 2-3 Years | - | | 369.89 | - |
| | More than 3 Years | - | - | 207.33 | 577.22 |
| | Doubtful | | | | |
| | Less: Allowance for Doubtful receivables | | - | | - |
| | **Long Term Debtors** | | - | | 577.22 |
| | Slow Moving Inventories | | 428.47 | | 975.27 |
| | **Total** | | **454.53** | | **1,580.54** |
| 6 | **Inventories** | | | | |
| | **(Refer Note No.. 2 (h) for mode of valuation)** | | | | |
| | Raw materials | | 121.97 | | 108.98 |
| | Work-in-progress | | 72.50 | | 71.99 |
| | Finished goods | | 895.07 | | 1,012.86 |
| | Stock-In-Trade | | 63.25 | | 63.25 |
| | Stores and spares | | 255.21 | | 247.58 |
| | | | 1,408.01 | | 1,504.65 |
| | Less: Slow Moving Inventories (Non Current) | | 426.47 | | 975.27 |
| | **Total** | | **981.54** | | **529.38** |
| 7 | **Trade receivables** | | | | |
| | Unsecured, considered good : | | | | |
| | Related Parties - Where Director is Director or Member | | | | |
| | (I) Undisputed Trade Receivable - Considered Good | | | | |
| | Less than 6 months | 74.04 | | 240.70 | |
| | 6 Months to 1 Year | - | | - | |
| | 1-2 Years | | | 2.24 | |
| | 2-3 Years | | | - | |
| | More than 3 Years | | 74.04 | - | 242.93 |
| | Other Parties | | | | |
| | (II) Undisputed Trade Receivable - Considered Doubtful | | | | |
| | (III) Disputed Trade Receivable - Considered Good | | | | |
| | (iv) Disputed Trade Receivable - Considered Doubtful | | | | |
| | | | | | 242.93 |
| | Less: Provision for Doubtful Debts | | - | | - |
| | **Total** | | **74.04** | | **242.93** |
| | Doubtful | | | | |
| | Less: Provision for Life Time Expected Credit Loss | | | | |
| | Others | | | | |
| | **Total** | | **74.04** | | **242.93** |

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 member.

| | | | | | |
|---|---|---|---|---|---|
| 8 | **Cash and cash equivalents** | | | | |
| | | | | | |
| | Balances with banks | | | | |
| | - in current/ cash credit accounts | | 8.54 | | 254.34 |
| | - in deposit accounts with maturity upto three months (pledged with banks towards margin against Bank guarantees) | | | | |
| | Cheque in Hand | | | | - |
| | Cash in hand | | 1.78 | | 0.33 |
| | FDR A/C -HDFC BANK | | 1.20 | | - |
| | **Total** | | **11.52** | | **254.67** |
| | | | | | |
| 9 | **Current Tax Assets (Net)** | | | | |
| | TDS/ TCS Recoverable | | 2.80 | | 4.83 |
| | | | | | |
| | **Total** | | **2.80** | | **4.83** |
| | | | | | |
| 10 | **Other current assets** | | | | |
| | Advances to suppliers of goods and services | | | | |
| | Other Parties | | 44.55 | | 43.39 |
| | Other advances Recoverable in Cash or Kind | | 5.86 | | 5.86 |
| | Prepaid Expenses | | 4.19 | | - |
| | GST Input (HP and Punjab) | | 10.98 | | 35.63 |
| | GST Refund Receivable | | 60.00 | | - |
| | GST Cash Ledger | | 3.19 | | - |
| | GST Receivables | | 0.46 | | - |
| | **Total** | | **129.21** | | **87.99** |
| | | | | | |



Rudra Ecovation Limited
(Formerly Himachal Fibres Limited)
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.03.2026

*(Rs in Lakhs)*

(All amount in Lakhs of Indian Rupees, except share data and stated otherwise)

| Note No. | Particulars | As at 31.03.2025 | | As at 31.03.2024 | |
|---|---|---|---|---|---|
| 11 | **Equity Share capital** | | | | |
| | *Authorised* | | | | |
| | *Equity Shares* | | | | |
| | - 17,50,00,000(PY 17,50,00,000) Equity Shares for Re. 1/- EACH | | 1,750.00 | | 1,750.00 |
| | *Preference Shares* | | | | |
| | - 1,65,000 16.5% Cumulative Redeemable Pref. Shares of Rs.100/- Each | | 165.00 | | 165.00 |
| | - 14,35,000 4% Non-Cumulative Redeemable Pref. Shares of Rs.100/- Each | | 1,435.00 | | 1,435.00 |
| | Total | | 3,350.00 | | 3,350.00 |
| | *Issued, Subscribed & Paid Up Equity Shares* | | | | |
| | - 11,43,68,000 (PY 8,62,50,000) Equity Shares for Re. 1/- Each Fully Paid up | | 1,143.68 | | 862.50 |
| | Total | | 1,143.68 | | 862.50 |

**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 and amount at the beginning | 86,250,000.00 | 86,250,000.00 | 86,250,000.00 | 86,250,000.00 |
| Add : Shares issued | 28,118,000.00 | 28,118,000.00 | | |
| Add: Share Warrants | | | | - |
| Share Application Money | | - | | - |
| Number of shares and amount at the end | | 114,368,000.00 | | 86,250,000.00 |

**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 | % held | Number of shares | % held |
|---|---|---|---|---|
| Brijeshwari Textiles P Ltd | 7,041,500.00 | 6.16% | 7,041,500.00 | 8.16% |
| Mr. Akhil Malhotra | 500,000.00 | 0.44% | 5,000,000.00 | 5.80% |
| DPS Textile Limited | - | 0.00% | 6,715,000.00 | 7.79% |
| India Equity Fund 1 | 5,870,600.00 | 5.13% | 5,350,000.00 | 6.20% |
| Saket Agrawal | 4,500,000.00 | 3.93% | 5,130,315.00 | 5.95% |
| | 17,911,500.00 | 15.66% | 29,236,815.00 | 33.90% |

| | | | | |
|---|---|---|---|---|
| **Promoters' share holding*** | | | | |
| **1) Indian** | | | | |
| **a) Individual** | | | | |
| Akhil Malhotra | 500,000.00 | 0.44% | 5,000,000.00 | 5.80% |
| Mayank Malhotra | 2,000,000.00 | 1.75% | 2,000,000.00 | 2.32% |
| Simmi Malhotra | 5,000,000.00 | 4.37% | - | 0.00% |
| **Sub Total** | **7,500,000.00** | **6.56%** | **7,000,000.00** | **8.12%** |
| **b) Other body Corporates** | | | | |
| Brijeshwari Textiles Private Limited | 7,041,500.00 | 6.16% | 7,041,500.00 | 8.16% |
| Shiva Spinfab Private Limited | 1,250,000.00 | 1.09% | - | 0.00% |
| **Sub Total** | **8,291,500.00** | **7.25%** | **7,041,500.00** | **8.16%** |
| **Total Shareholding of Promoter and Promoter Group** | **15,791,500.00** | **13.81%** | **14,041,500.00** | **16.28%** |

| | | |
|---|---|---|
| 12 | **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 instalment of 39%, 35%, and 35% respectively.



| | | | | | |
|---|---|---|---|---|---|
| | **The Preference Shares are presented in the Balance Sheet as follows.** | | | | |
| | Equity Component of Preference Shares 4% Non-Cumulative Redeemable Preference Shares | | 921.00 | | 921.00 |
| | **Equity Component of Preference Shares** | | **921.00** | | **921.00** |
| | | | | | |
| | **Retained Earnings** | | | | |
| | Balance at the begining of the year | (2,742.44) | | (2,672.98) | |
| | Add: Profit/(Loss) for the period | (316.49) | | (53.48) | |
| | Less: Income Tax for Earlier Years | (6.57) | | (15.98) | |
| | **Balance at the end of the Year** | **(3,065.50)** | **(3,065.50)** | **(2,742.44)** | **(2,742.44)** |
| | | | | | |
| | **Capital redemption reserve** | | | | |
| | As at the commencement of the year | 314.89 | | 314.89 | |
| | Add: receipt during the year | | 314.89 | | 314.89 |
| | | | | | |
| | **Capital reserves** | | | | |
| | As at the commencement of the year | 1,777.93 | | 1,777.93 | |
| | Add: receipt during the year | | 1,777.93 | | 1,777.93 |
| | | | | | |
| | **Share Premium Account** | | | | |
| | As at the commencement of the year | 520.00 | | 520.00 | |
| | Add: Additions during the period | 7,515.46 | 8,035.46 | | 520.00 |
| | | | | | |
| | **Equity Component of Unsecured Loan** | 502.38 | | 502.38 | |
| | Less : Redeemed During The Year | | 502.38 | | 502.38 |
| | | | | | |
| | **Total** | | **8,486.17** | | **1,293.77** |
| | | | | | |
| | **Rudra Ecovation Limited** | | | | |
| | **(Formerly Himachal Fibres Limited)** | | | | |
| | **NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.03.2025** | | | | ***(Rs in Lakhs)*** |
| **Note No.** | **Particulars** | **As at 31.03.2025** | | **AS AT 31.03.2024** | |
| 13 | **Borrowings** | | | | |
| | **Unsecured Loans** | | | | |
| | Inter Corporate Deposits | 525.00 | | 525.00 | |
| | | 525.00 | | 525.00 | |
| | Less: Equity Portion of Unsecured Loan | (502.38) | | (502.38) | |
| | Add: NPV of Interest on Unsecured Loans | 50.93 | 73.55 | 41.90 | 64.52 |
| | | | | | |
| | **Total** | | **73.55** | | **64.52** |
| | | | | | |
| 14 | **Other Long Term Liabilitee** | | | | |
| | Redeemable Portion of 4% Non-Cummulative Pref Share Capital | | 982.29 | | 854.17 |
| | | | | | |
| | **Total** | | **982.29** | | **854.17** |
| | | | | | |
| 15 | **Provisions** | | | | |
| | Provision for Employee Benefits | | | | |
| | Gratuity | | 20.28 | | 16.67 |
| | | | | | |
| | **Total** | | **20.28** | | **16.67** |
| | | | | | |
| 16 | **Trade payables** | | | | |
| | Creditors other than Micro and small Enterprises | | | | |
| | (i) MSME | | | | |
| | - Less than 1 year | - | | 31.82 | |
| | - 1-2 years | - | | - | |
| | - 2-3 years | - | | - | |
| | - More than 3 year | - | - | - | 31.82 |
| | | | | | |
| | (II) Others | | | | |
| | - Less than 1 year | 63.85 | | 18.59 | |
| | - 1-2 years | 0.23 | | 0.63 | |
| | - 2-3 years | 0.20 | | 2.27 | |
| | - More than 3 year | 0.11 | 70.38 | 0.82 | 22.30 |
| | (III) Disputed Dues - MSME | | | | - |
| | (IV) Disputed Dues - Others | | - | | - |
| | **Total** | | **70.38** | | **54.13** |
| | | | | | |
| 17 | **Other financial liabilities** | | | | |
| | Others | | | | |
| | -Employees Dues | | 166.70 | | 116.87 |
| | Other Expenses Payable | | 63.29 | | 58.43 |
| | | | | | |
| | **Total** | | **230.00** | | **175.30** |

| | | | | | |
|---|---|---|---|---|---|
| 18 | **Other current liabilities** | | | | |
| | Statutory Dues Payable | | | | |
| | - Provident Fund | | 5.15 | | 0.79 |
| | - Employee State Insurance (ESI) | | 1.51 | | 11.85 |
| | - GST Payable RCM | | 0.57 | | 0.22 |
| | - Tax Deducted at Source | | 31.31 | | 4.61 |
| | - Service Tax | | 0.04 | | 0.04 |
| | - Work Contract Tax | | 1.38 | | 1.38 |
| | Advance From Customers | | 650.06 | | - |
| | Other Liabilities Payable | | - | | 113.28 |
| | Cheques Issued But Not Presented | | 28.94 | | 0.83 |
| | Unclaimed Preference Shares Redemption | | 10.00 | | 10.00 |
| | | | | | |
| | **Total** | | **728.94** | | **142.96** |
| | | | | | |
| 19 | **Provisions** | | | | |
| | Provision for employee benefits | | | | |
| | - Gratuity | | 2.22 | | 1.99 |
| | Income Tax Payable | | - | | - |
| | | | | | |
| | **Total** | | **2.22** | | **1.99** |



STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31.03.2022

| | | | | |
|---|---|---|---|---|
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Place:

Date: 29.05.2022

For and on behalf of the Board of Directors of
Ruchi Biosoya Limited

Chairman
Whole Time Director
DIN:

Director
DIN:

Company Secretary

**Rudra Ecovation Limited**
(Formerly Himachal Fibres Limited)
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.03.2025** *(Rs in Lakhs)*

(All amount in Lakhs of Indian Rupees, except where otherwise stated)

| Note No. | Particulars | AS AT 31.03.2025 | AS AT 31.03.2024 |
|---|---|---|---|
| 20 | **Revenue from operations** | | |
| | Sale of products | 2,387.29 | 1,916.51 |
| | | **2,387.29** | **1,916.51** |
| | **Other operating revenues** | | |
| | Sale of waste | 83.78 | 43.78 |
| | Sale of Stores & Spares | 206.75 | 1.50 |
| | Sale of scrap | 1.40 | - |
| | | 271.92 | 45.28 |
| | **Total** | **2,659.21** | **1,961.79** |
| 21 | **Other income** | | |
| | Interest income | 4.63 | 4.09 |
| | Misc income | 0.10 | 0.11 |
| | Other Non -operative income | 59.29 | 81.51 |
| | | **64.02** | **85.71** |
| | Sundry Balances Written Back | 12.01 | - |
| | **Total** | **76.03** | **85.71** |
| 22 | **Cost of materials consumed** | | |
| | Cost of raw materials consumed | | |
| | Opening stock of raw materials | 108.96 | 132.45 |
| | Add: purchase of raw materials | 1,675.34 | 899.72 |
| | | **1,784.31** | **1,032.17** |
| | Less : | | |
| | Closing stock of raw materials | 121.97 | 108.96 |
| | **Cost of materials consumed - Total** | **1,662.33** | **923.20** |
| 23 | **Changes in inventories of finished goods and work-in-progress** | | |
| | **Closing inventories** | | |
| | Finished goods | 937.74 | 1,080.04 |
| | Saleable waste | 20.59 | 16.07 |
| | Work-in-progress | 72.60 | 71.99 |
| | Stock-in-trade | | |
| | | **1,030.93** | **1,148.11** |
| | **Opening inventories** | | |
| | Finished goods | 1,080.04 | 1,128.14 |
| | Saleable waste | 16.07 | 24.51 |
| | Work-in-progress | 71.99 | 71.82 |
| | Stock-in-trade | | |
| | | **1,148.11** | **1,224.47** |
| | (-) Increase/ decrease in inventories of finished goods and work-in-progress | | |
| | Finished goods | 122.30 | 68.10 |
| | Saleable waste | (4.52) | 8.44 |
| | Work-in-progress | (0.51) | (0.17) |
| | Stock-in-trade | | |
| | **Changes in inventories of finished goods and work-in-progress - total** | **117.28** | **76.37** |



**Rudra Ecovation Limited**
**(Formerly Himachal Fibres Limited)** *(Rs in Lakhs)*
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.03.2025** (All amount in Lakhs of Indian Rupees, except share data and unless otherwise)

| Note No. | Particulars | AS AT 31.03.2025 | AS AT 31.03.2024 |
|---|---|---|---|
| 24 | **Employee benefits expense** | | |
| | Salaries and wages | 410.36 | 387.21 |
| | Contribution to provident fund and other funds | 6.42 | 6.64 |
| | Gratuity expense | 14.08 | 10.29 |
| | Staff welfare expenses | 2.64 | 3.09 |
| | Bonus | 19.17 | 17.47 |
| | Compensated Absences | 18.27 | 12.58 |
| | **Total** | **470.94** | **437.27** |
| 25 | **Finance costs** | | |
| | Interest | 8.48 | 60.66 |
| | Interest on Preference Shares | 128.12 | 111.41 |
| | NPV of Interest on Unsecured Loans | 9.03 | 7.60 |
| | Bank Charges | 0.07 | 0.01 |
| | Processing Charges | - | 0.10 |
| | **Total** | **145.71** | **179.10** |
| 26 | **Depreciation Expense** | | |
| | Depreciation on property, plant and equipment (refer Note No. 3) | 115.45 | 130.21 |
| | Depreciation of Right of use assets (refer Note No.. 3A) | 0.11 | 0.10 |
| | **Total** | **115.56** | **130.31** |
| 27 | **Other expenses** | | |
| | **Manufacturing Expenses** | | |
| | Power & Electricity | 233.26 | 226.82 |
| | Fuel Consumed | 0.02 | 2.52 |
| | Oil & Lubricants | 11.50 | 5.18 |
| | Store & Spares Consumed | 46.00 | 46.00 |
| | Freight & Cartage Inwards | 1.56 | 1.60 |
| | Machinery Repair | 13.43 | 40.97 |
| | | **306.37** | **322.99** |
| | **Administrative Expenses** | | |
| | Remuneration of Auditors | | |
| | (a) As Auditor | 2.00 | 2.00 |
| | Board Meeting Expenses | 1.76 | 0.52 |
| | Computer Repair & Expenses | 0.64 | 0.10 |
| | Fees Subscription & Taxes | 22.17 | 26.70 |
| | Festival/ Worship Expenses | 0.05 | 0.06 |
| | General & Miscellaneous Expenses | 0.05 | 0.02 |
| | Insurance Expenses | 1.90 | 2.15 |
| | Legal & professional Expenses | 117.62 | 35.41 |
| | Printing & Stationary Expenses | 0.59 | 2.54 |
| | Rent Expenses | 1.85 | 1.32 |
| | Repair & Maintenance | 6.40 | 2.06 |
| | Telephone, Fax, Internet & Postage Expenses | 0.78 | 1.09 |
| | Travelling Expenses | 0.59 | 0.17 |
| | Business Promotion Expenses | 1.44 | - |
| | Director's Travelling | 0.12 | - |
| | Vehicle Running & Maintenance | 7.63 | 8.57 |
| | | **165.69** | **83.33** |
| | **Selling Expenses** | | |
| | Advertisement Expenses | 7.45 | 1.19 |
| | Exhibition Expenses | 64.01 | - |
| | Freight & Cartage Outwards | 29.39 | 17.79 |
| | Packing & Handling Expenses | 0.65 | 0.58 |
| | | **101.50** | **19.56** |
| | **Total** | **573.48** | **425.89** |

MANNU MITTAL & ASSOCIATES LUDHIANA

**Rudra Ecovation Limited**
(Formerly Himachal Fibres Limited)

**28. Ratios**

| S.No. | Particulars | 31st March 2025 | 31st March 2024 | Variance | Remarks |
|---|---|---|---|---|---|
| (a) | Current Ratio (Current Assets/Current Liabilties) | 1.16 | 2.99 | -61.13% | Due to increase in current liabilities |
| (b) | Debt – Equity Ratio (Total Debt/Shareholder's Equity) | 0.06 | 0.07 | -14.03% | - |
| (c) | Debt Service Coverage Ratio (Earnings available for debt services/Debt Service) | 0.00 | 0.02 | -100.00% | Due to NIL Debt |
| (d) | Return on Equity (ROE) (Net Profit/Shareholders's Equity) | -3.00% | -1.93% | 55.70% | Due to Increase in Losses |
| (e) | Inventory Turnover Ratio (Cost of Goods Sold/Average Inventory) | 1.76 | 1.13 | 55.61% | Due to changes in Average Inventories |
| (f) | Trade receivables turnover ratio (Revenue from Operations/Average Trade Receivable) | 5.95 | 1.67 | 257.06% | Due to changes in Average Receivables |
| (g) | Trade payables turnover ratio (Purchases/Average Trade Payables) | 27.66 | 17.67 | 56.52% | Due to increase in Purchases |
| (h) | Net capital turnover ratio (Total Income/Shareholder's Equity) | 0.26 | 0.74 | -64.85% | Due to increase in Shareholder's equity |
| (i) | Net profit ratio (Net Profit/Total Income) | -11.57% | -2.61% | 342.99% | Due to Increase in Losses |
| (j) | Return on capital employed (ROCE) (Earnings before Interest and Taxes/Capital Employed) | -1.65% | 1.75% | -194.17% | Due to Increase in Losses |
| (k) | Return on Investment(ROI) (Income generated from investments/weighted average investments) | NA | NA | NA | NA |

**29. Contingent liability not provided for:**

(Rupees in Lakhs)

| Particulars | As At 31.03.2025 | As At 31.03.2024 |
|---|---|---|
| Entry Tax with H.P.Excise and Taxation Deptt. | 70.80 | 70.80 |
| Processing Fees of Dy.Director of Industries, Solan | 254.08 | 241.83 |
| Income Tax demand for various Assessment Years | 5.75 | -- |
| **Total** | **330.63** | **312.63** |

30. The Company has paid/provided the managerial remuneration to the following persons which is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act :-

| Name of Directors / Managers | Designation | Remuneration | |
|---|---|---|---|
| | | 31.03.2025 | 31.03.2024 |
| Sh.Vinod Kumar Goyal | ED & CEO | 37.91 | 0.00 |

31. The earnings per share (EPS) disclosed in the profit and loss account have been calculated as under:-

(Rupees in Lakhs)

| S.No. | Particulars | As At 31.03.2025 | As At 31.03.2024 |
|---|---|---|---|
| **A.** | **Basic Earning Per Share** | | |
| i | Profit/(Loss) attributable to equity shareholders | (316.49) | (64.04) |
| | Less: Preference Dividend for the year | 0.00 | 0.00 |
| | Earnings Attributable to Equity shareholders | (316.49) | (64.05) |
| ii | Weighted average number of equity shares (Nos) Basic | 105423759 | 86250000 |
| **iii** | **Basic Earning per shares** | **(0.30)** | **(0.07)** |
| | | | |
| **B.** | **Diluted earning per share** | | |
| i | Earnings Attributable to Equity shareholders | (316.49) | (64.04) |
| **ii** | **Weighted average number of equity shares for (diluted)** | | |
| | --Weighted average number of equity shares (Nos) Basic | 105423759 | 86250000 |
| | --Dilution of equity | 1447544 | 5942623 |
| | **Weighted average number of equity shares (diluted) for the year** | **106871303** | **92192623** |
| **iii** | **Diluted earnings per share** | **(0.30)** | **(0.07)** |



32. **Deferred Taxation**

The disclosure requirements as per the Indian Accounting Standard (Ind AS 12 Income Taxes) is as under:-

Net Deferred Tax Asset as on 31st March, 2025 has been recognized by applying the tax rate applicable for the current financial year as under:-

**(Rupees in Lakhs)**

| Sr. No. | Particulars | Deferred Tax | |
|---|---|---|---|
| | | **Debit** | **Credit** |
| 1. | Deferred Tax Assets as on 01.04.2024 | 234.35 | -- |
| 2. | Deferred Tax Income recognized during the year due to timing difference between depreciation as per Income Tax Act, 1961 & as per books of account for the year 2024-25 | 21.05 | -- |
| **3.** | **Net Deferred Tax Assets as on 31.03.2025** | **255.40** | -- |

33. (i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

**A. Enterprises under the common control as the company :**

- Shiva Texfabs Ltd.
- Shiva Specialty Yarns Ltd
- Yogindera Worsted Ltd
- Shiva Spinfabs Ltd
- Shiva Cottex Pvt. Ltd
- Shiva Texchem (Gujrat) Pvt. Ltd.
- Jai Guru Ji Food Processors Pvt. Ltd

**B. Key Management Persons**

- Mr. Gian Chand Thakur (Whole Time Director)
- Mr. Manoj Kumar (Non-Executive Director - Cessation date is 07.10.2024)
- Mr. Akhil Malhotra (Non-Executive Director)
- Mr. B.S.Goyal (Non-Executive Independent Director)
- Ms. Malkeet Kaur (Independent Director – Cessation date is 07.10.2024)
- Mr. Surjit Singh (Independent Director)
- Ms. Kajal Rai (Independent Director - Joined on 02.09.2024)
- Mr. Sebastian Joseph (CFO - Cessation date is 01.03.2025 )
- Mr. Ravi Passi (CFO - Joined on 25.03.2025)
- Ms.Nancy Singla (Company Secretary)
- Mr. Vinod Kumar Goyal (Executive Director & CEO – Joined on 22.07.2024 & Cessation date is 30.04.2025)
- Mr. Anil Singla (Additional Independent Director – Joined on 02.09.2024 & Cessation date is 30.09.2024)

**C. Relative of Key Management Persons**

- Mrs. Ishani Bansal (Relative of Director - holding office or place of profit)

(ii) Disclosure of transactions between the company and related parties during the year and outstanding balances as on March 31, 2025.

**(Rupees in Lakhs)**

| Particulars | Enterprises that are under common control as the company | | Key Management Personnel / Relative of KMP | |
|---|---|---|---|---|
| | As At 31.03.2025 | As At 31.03.2024 | As At 31.03.2025 | As At 31.03.2024 |
| Director Sitting fees | -- | -- | 1.43 | 0.30 |
| Remuneration | -- | -- | 37.91 | 0.00 |
| Salary | -- | -- | 21.98 | 0.00 |
| Travelling & Other Expenses | -- | -- | 0.33 | 0.00 |
| Sale | 1535.10 | 405.33 | -- | -- |
| Purchase | 2007.81 | 535.44 | -- | -- |
| Rent | 2.18 | -- | -- | -- |
| Investment in the shares of Shiva Texfabs Ltd. (Including Party Paid up shares & Shares Pending for Allotement) | 9627.37 | -- | -- | -- |

***Note: Sale/Purchase/Rent figures are inclusive of GST***

34. In the opinion of the management, all current assets, loan and advances their value if realized in the ordinary course of business, at least to the amount at which they are stated except expressly stated otherwise.

35. Balance of Sundry Debtors, Sundry Creditors and Loans and Advances are subject to confirmation and reconciliation.

**36. Other Regulatory Information**

(i) The Company does not have any benami property where any proceedings have been initiated or pending against the Company for holding such benami property

(ii) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year under review.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The following charges are no satisfied beyond the Statutory Period and reasons detailed as follows

| Charge Id | Charge holder's name | Date of Creation/ Modification | Amount (Rs.in Lakhs) | Remarks |
|---|---|---|---|---|
| 80036826 | The Industrial Credit And Investment Corp of India Ltd | 16-MAR-1989 | 9.00 | These are the Redundant Charges which could not be got satisfied. The company is in continuous following Ex Banks / Financial Institutions to get the "No Due Certificate". |

(x) The Company does not have any immovable property whose title deeds are not held in the name of the Company.

(xi) As per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016, the Company is not a Core Investment Company (CIC) and the group does not have any CIC.

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



37. The company had allotted 1,50,00,000 convertible warrants at a price of Rs. 10/- per warrant on 08.11.2023 to non-promoters on preferential basis with a right to the warrant holders to apply for and be allotted 1 fully paid up equity share of the company of face value of Rs. 1/- each at a premium of Rs. 9/- per share for each warrant with in a period of 18 months from the date of allotment of warrants. Out of it, following warrants converted into equity shares on receipts of 75% of issue price per warrant during the year under review.

| Date of Conversion of Warrants into equity shares | No. of Equity Shares |
|---|---|
| 25.05.2024 | 14000000 |
| 10.09.2024 | 1000000 |
| **Total** | **15000000** |

Further the company has allotted 2,07,65,000 convertible warrants at a price of Rs. 48/- per warrant on 11.07.2024 to the promoter and non-promoters on preferential basis with a right to the warrant holders to apply for and be allotted 1 fully paid up equity share of the company of face value of Rs. 1/- each at a premium of Rs. 47/- per share for each warrant with in a period of 18 months from the date of allotment of warrants. Out of it, following warrants converted into equity shares on receipts of 75% of issue price per warrant during the year under review.

| Date of Conversion of Warrants into equity shares | No. of Equity Shares |
|---|---|
| 27.08.2024 | 4705000 |
| 10.09.2024 | 2940000 |
| 26.09.2024 | 2055000 |
| 24.10.2024 | 2083000 |
| 10.01.2025 | 1335000 |
| **Total** | **13118000** |

38. During the year under review, the company has invested in the equity shares of M/s Shiva Texfabs Limited as per the details mentioned in below table

**(Rupees in Lakhs)**

| Particulars | Amount as on 31.03.2025 |
|---|---|
| 2339181 Eq.Shares of Rs.10/- each at price of Rs. 213.75 Each Fully paid up | 5001.17 |
| 4701755 Eq.Shares of Rs.10/- each at price of Rs. 213.75 Each Partly paid up | 4626.20 |
| **Total** | **9627.37** |

39. 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 426.47 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 2025.



40. **Leases:**

**(i) Leases as Lessee**

The company has long term lease contract for factory land situated plot no.43-44, Industrial area Barotiwala District Solan which has lease term for 99 years. Generally, The Company's obligations under its lease are secured by the lessor's title to the leased assets. The company is restricted from assigning and subleasing the leased assets.

The company also has certain leases of office premises and machinery and equipment with lease term of 12 months or less. The company applies the short term lease recognition exemptions for these leases.

Leases as lessee Right-of-use assets related to leased properties that do not meet the definition of investment property:

| **Particulars** | **(Rupees in Lakhs)** | |
|---|---|---|
| | **2024-25** | **2023-24** |
| | **Leasehold Land** | **Leasehold Land** |
| Opening Balance | 5.97 | 6.07 |
| Depreciation expenses of right-of-use assets | 0.11 | 0.10 |
| **Closing Balance** | **5.86** | **5.97** |

**The following are the amounts recognized in statement of profit and loss:**

| **Particulars** | **(Rupees in Lakhs)** | |
|---|---|---|
| | **2024-25** | **2023-24** |
| Depreciation expenses of right-of-use assets | 0.11 | 0.10 |
| Expenses relating to short term leases (included in other expenses) | 1.85 | 1.32 |
| **Total** | **1.96** | **1.42** |

Payments associated with short term leases are recognized on a straight line basis as an expense in statement of profit and loss. Short term leases are leases with a lease term of 12 months or less.

41. There are cheques amounting to Rs. 10.00 Lacs issued in FY 2018-19 for the redemption of preference shares which are not yet cleared from the bank accounts of the company as on 31.03.2025. The same has been shown as Unclaimed Preference Shares redemption under the head other current liabilities at Note no.18

**42. Payment to Auditors:-** **(Rupees in Lakhs)**

| **Particulars** | **As At 31.03.2025** | **As At 31.03.2024** |
|---|---|---|
| Audit Fees | 1.00 | 1.00 |
| Tax Audit Fees | 1.00 | 1.00 |
| **Total** | **2.00** | **2.00** |

43. The company is operating in single segment i.e Textiles i.e. Knitted Fabric and Blended Yarn. Hence segment reporting as required under IND AS108 (Operating Segments) is not applicable.

## 44. Major Customers

Detail of the Major Customers where sales of the company are more than 10% of the turnover of the company is as below:-

**(Rupees in Lakhs)**

| Name | FY 2025 | FY 2024 |
|---|---|---|
| Shiva Texfabs Ltd | 1299.50 | 642.99 |
| Vinayak International | 1193.51 | 1175.93 |

***Note: Sale figures are net of GST.***

## 45. Dues to Micro And Small Enterprises - As Per Micro, Small And Medium Enterprises Development Act, 2006 ('MSMED' ACT)

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**(Rupees in Lakhs)**

| S. No. | Particulars | 31 March 2025 | 31 March 2024 |
|---|---|---|---|
| i) | The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year;<br>- Principal amount<br>- Interest thereon | <br><br><br>Nil<br>Nil | <br><br><br>31.82<br>Nil |
| ii) | the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year; | Nil | Nil |
| iii) | the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid); | Nil | Nil |
| iv) | The amount of interest accrued and remaining unpaid at the end of accounting year; and | Nil | Nil |
| v) | The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 | Nil | Nil |



46. The summarized position of Post-Employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Indian Accounting Standard (Ind AS 19 Employee Benefits) are as under:

**a. Gratuity**

The principal assumptions used in actuarial valuation of gratuity are as below:

**i) Economic Assumptions**

| | 31/03/2025 | 31/03/2024 |
|---|---|---|
| i) Discounting Rate | 6.99 | 7.25 |
| ii) Future salary Increase | 5.00 | 5.00 |
| iii) Expected Rate of return on plan assets | 0.00 | 0.00 |

**ii) Demographic Assumption**

| | | |
|---|---|---|
| i) Retirement Age (Years) | 58 | 58 |
| ii) Mortality Table | IALM (2012-14) | |
| iii) Ages | **Withdrawal Rate (%)** | |
| Up to 30 Years | 5.00 | 5.00 |
| From 31 to 44 years | 5.00 | 5.00 |
| Above 44 years | 5.00 | 5.00 |

**iii) Actuarial Value(Rupees in Lakhs)**

| | Assets / Liability | 31/03/2025 | 31/03/2024 |
|---|---|---|---|
| A | Present value of obligation | 22.50 | 18.65 |
| B | Fair value of plan assets | -- | -- |
| C | Net assets / (liability) recognized in balance sheet as provision | (22.50) | (18.65) |

**iv) Bifurcation of PBO at the end of year as per revised schedule VI to the companies Act.**

**(Rupees in Lakhs)**

| | | 31/03/2025 | 31/03/2024 |
|---|---|---|---|
| a) | Current liability (Amount due within one year) | 2.22 | 1.99 |
| b) | Non-Current liability (Amount due over one year) | 20.28 | 16.67 |
| c) | **Total PBO at the end of year** | **22.50** | **18.65** |



**b. Provident Fund**

During the year the company has recognized an expense of Rs. 3.95 Lakhs (Previous Year Rs. 4.09 Lakhs) towards provident fund scheme.

**c. Leave Encashment and Bonus**

During the year the company has recognized an expense of Leave Encashment and Bonus for Rs. 18.27 Lakhs and Rs. 19.17 Lakhs respectively (Previous Year 12.58 Lakhs and Rs. 17.47 Lakhs respectively)

47. The Ministry of Corporate Affairs introduced Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, which requires the Company to have a feature of recording audit trail (edit log) facility for its accounting softwares used for maintaining its books of account and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. Accordingly, the company has enabled the audit trail (edit log) feature for its accounting softwares used for maintaining its books of account and the same has operated throughout the year for all relevant transactions recorded in the respective software.

48. The figures of the previous year have been rearranged/ regrouped, wherever necessary to facilitate comparison.

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

**Manjul Mittal**
**Partner**
**M.NO. 500559**

**Dated: 29.05.2025**
**Place: Ludhiana**

**For and on behalf of the Board of Directors of**
**Rudra Ecovation Limited**

**Akhil Malhotra**
**(Director)**
**DIN: 00126240**

**Gian Chand Thakur**
**(Whole Time Director)**
**DIN:07006447**

**Nancy Singla**
**(Company Secretary)**

**Ravi Passi**
**(CFO)**

ANUJ GUPTA & ASSOCIATES
(Chartered Accountants)

SCO-3, 1st Floor,
Surya Shopping Arcade,
National Road, Ghumar Mandi
Ludhiana 141001
Email: ca.anuj1989@gmail.com
M: +91-98768-50522

## INDEPENDENT AUDITOR'S REPORT

**TO**

**THE MEMBERS OF**

**SHIVA TEXFABS LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **SHIVA TEXFABS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined the following key audit matters to communicate in our report:

The Company has earned a net profit of Rs. 1305.26 lakhs during the year ended on 31st March, 2025.

In earlier years, the lenders had classified the accounts of the Company as non performing assets and Indian Bank (earlier Allahabad Bank) , Union Bank of India, State Bank of India, Punjab National Bank and IDBI Bank Ltd. had assigned all the rights, title and interests in the entire outstanding dues owed by the company and guarantors together with all the securities and guarantees, in favour of Alchemist Asset Reconstruction Company Limited ("AARC") acting in its capacity as trustee of Alchemist-XVI Trust. The total amount, of all above five banks, assigned to AARC is Rs. 20939.25 lakhs (including payment for NCD's) against the total outstanding amount Rs. 86010.52 lakhs. Hence Rs. 65071.27 lakhs of liability is to be waived off on timely payment of dues as per re-structuring letters issued by "AARC".

We draw attention that the Board has approved the scheme of Amalgamation of Rudra Ecovation Limited (formerly Himachal Fibre Limited) with Shiva Texfabs Limited on dated 23.12.2024 and filed with Department of Corporate Services, BSE Limited, Mumbai under regulation 37 of SEBI (listing obligation & Disclosure requirements), Regulation, 2015, by Rudra Ecovation Ltd. The NOC has already been received from BSE and SEBI on dated 25th August, 2025 and application for submission with NCLT is pending.

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

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**Information Other than the Financial Statements and Auditor's Report Thereon**
The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders' Information, 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**
Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, the matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the company's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is



higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *subject to Key Audit Matters*, the aforesaid standalone 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 31st March, 2025, and its loss and its cash flows for the year ended on that date.





**Report on Other Legal and Regulatory Requirements**
As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of the Section 143 of the Act, we give in the Annexure A statement on the matters specified in Paragraphs 3 & 4 of the order, to the extent applicable.

**As required by Section 143 (3) of the Act, we report that:**
(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from Directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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 financial statements as referred to in Note No. 30 of Notes to the financial statements.

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

(iii) The Company is not required to transfer any amount to the Investor Education and Protection Fund.

(iv) (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"),



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with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

(v) The company has not declared or paid any dividend during the year in contravention other provisions of section 123 of the Companies Act, 2013.

(vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instances of the audit trail feature being tempered with.

For Anuj Gupta & Associates
Chartered Accountants
FRN 036392N

Anuj Gupta
(Partner)
M.No.527632

Place: Ludhiana.
Date: 05.09.2025
UDIN: 25527G32BMG2HC1838

## SHIVA TEXFABS LIMITED
## ANNEXURE OF THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our independent Auditors Report to the members of the Company on the financial statements for the year ended 31st March 2025, we report that:

i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
(B)The Company has no intangible assets for the year ended March 31, 2025.

(b) The Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification. Further, in our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and nature of its business.

(c) According to the information and explanations given to us and based on our examination of the records of the company, title deeds of immovable properties, disclosed in the financial statements, are held in the name of the company.

(d) The Company has not re-valued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

ii. (a) According to the information and explanations given to us, the physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification of inventories carried out by the management.
(b) The company has been sanctioned working capital limit in excess of Rs. 500 Lakhs, in aggregate from bank on the basis of security of current assets. According to the information and explanations given to us and on the basis of records examined by us, the monthly statements comprising stock, creditors statement and book debts statements and other information filed by the Company with such bank are not having material differences with the unaudited books of accounts of the Company of the respective quarters.

iii. During the year, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given , investments made , guarantees and securities given.

v. According to the information and explanation given to us, the Company has not accepted deposits from public within the meaning of provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other court or any other Tribunal against the Company on this matter.

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vi. According to the information and explanations given to us, maintenance of cost records has been specified by the Central Government under sub-section (1) of the section 148 of the Companies Act, 2013. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii.(a) According to the information and explanations given to us and records of the Company examined by us, during the year the Company has generally been irregular in depositing undisputed statutory dues like provident fund, ESI, tax deducted at source, tax collected at source, Goods & Service tax etc. with the appropriate authorities.
In our opinion the following undisputed statutory dues were outstanding at the year end for the period of more than six months from the date they become due are as follows:

| Nature of Dues | Outstanding Amount (in Lakhs) |
|---|---|
| ESI | 55.22 |
| Provident Fund | 3.92 |
| Employees Welfare Fund | 51.26 |
| Tax Deducted/Collected at Source | 69.08 |
| Punjab Development Tax | 20.96 |

(b) According to the information and explanation given to us, the disputed statutory dues that have not been deposited on account of matters pending before the appellate authorities in respect of Excise duty, Value added tax etc. are given below:

| Name of statute | Nature of dues | Amount under dispute not yet deposited (Rs. lacs) | Periods to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Punjab Vat Act, 2005 | Demand against rejection of VAT ITC claim | Rs.51.07 lakhs<br>Rs.37.61 lakhs<br>Rs.21.22 lakhs | 2013-2014<br>2014-2015<br>2015-2016 | The Company has filed an application for OTS |
| Central Excise Act, 1944 | Interest & Penalty | Amount not yet provided by the deptt. | 2008-2011 | As per order of Commissioner (Appeals), Central Excise, Chandigarh |

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to information and explanations given to us, the company's bankers namely Allahabad Bank, Union Bank of India, State Bank of India, Punjab National Bank and IDBI Bank Ltd. had assigned all the rights, title and interests in the entire outstanding dues owed by the company and guarantors together with all the securities and guarantees in favour of Alchemist Asset Reconstruction Company Limited ("AARC") acting in its capacity as trustee of Alchemist-XVI Trust. During the year under audit, there



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was overdue amount to Alchemist Asset Reconstruction Company Limited ("AARC") as on 31.03.2025.
(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.
(d) In our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been utilized for long term purposes.
(e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
(f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a)In our opinion and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments).
(b) In our opinion and according to the information and explanations given to us, the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) Based upon the audit procedures performed and according to information and explanation given to us, no fraud on or by the company has been noticed or reported during the period covered by our audit.
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
(c) As represented to us by the management, Company has not received any whistle blower complaints during the year and upto the date of this report.

xii. In our Opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with Section 177 & 188 of the Companies Act, 2013 and detail of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. The Company has an internal audit system commensurate with the size and nature of its business. However, the Internal Auditors have not issued any formal report.

xv. According to the information and explanations given to us and based on our examination of the records of the company, company has not entered into any non-cash transactions with directors or persons connected with them.

xvi. (a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934(2 of 1934) and accordingly, the provisions of clause 3 (xvi)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

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(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the Statutory Auditors of the Company.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) On the basis of examination of records of the company, there was no unspent amount towards Corporate Social Responsibility (CSR) requiring a transfer to Fund specified in schedule VII to the Companies Act in compliance with second proviso to sun section (s) of section 135 of said act.

(b) The Company's CSR initiatives during the year focused on key areas including education, health care, sanitation, women empowerment and rural development etc.

For Anuj Gupta & Associates
Chartered Accountants
FRN 036392N

Anuj Gupta
(Partner)
M.No.527632

Place: Ludhiana.
Date: 05.09.2025

## ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

**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 **SHIVA TEXFABS LIMITED** ("the Company") as of March 31, 2025 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, 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.

ANUJ GUPTA & ASSOCIATES CA CHARTERED ACCOUNTANTS FRN-0 LUDHIANA

## 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, 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, 2025, 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 Anuj Gupta & Associates
Chartered Accountants
FRN 036392N




Anuj Gupta
(Partner)
M.No.527632

Place: Ludhiana.
Date: 05.09.2025

SHIVA TEXFABS LIMITED

BALANCE SHEET AS AT 31.03.2025

| PARTICULARS | NOTE NO. | | FOR THE YEAR ENDED ON 31.03.2025 (RS.In Lakhs) | | FOR THE YEAR ENDED ON 31.03.2024 (RS. In Lakhs) |
|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | |
| **(1) SHAREHOLDER'S FUNDS** | | | | | |
| (A) SHARE CAPITAL | 1 | 3,261.57 | | 2,577.46 | |
| (B) RESERVES AND SURPLUS | 2 | 18,532.56 | | 3,286.30 | |
| TOTAL OF SHARE HOLDER'S FUND (A) | | | 21794.13 | | 5863.76 |
| **(3) NON-CURRENT LIABILITIES** | | | | | |
| (A) LONG-TERM BORROWINGS | 3 | 2,233.88 | | 12,719.62 | |
| (B) DEFERRED TAX LAIBILITIES (NET) | | 349.52 | | 388.87 | |
| (C) OTHER LONG TERM LIABILITIES | 4 | - | | - | |
| (D) LONG TERM PROVISIONS | 5 | 407.02 | | 435.91 | |
| TOTAL OF NON CURRENT LIABILITIES (B) | | | 2990.42 | | 13544.40 |
| **(4) CURRENT LIABILITIES** | | | | | |
| (A) SHORT-TERM BORROWINGS | 6 | 636.06 | | 644.58 | |
| (B) TRADE PAYABLES | 7 | 7,440.02 | | 7,342.90 | |
| (C) OTHER CURRENT LIABILITIES | 8 | 11,489.19 | | 7,173.44 | |
| (D) SHORT-TERM PROVISIONS | 9 | 24.04 | | 17.81 | |
| TOTAL OF CURRENT LIABILITIES (C) | | | 19,591.31 | | 15378.73 |
| GRAND TOTAL ( A + B + C) | | | 44,375.86 | | 34786.89 |
| **ASSETS** | | | | | |
| **(1) NON-CURRENT ASSETS** | | | | | |
| PROPERTY, PLANT & EQUIPMENTS | | | | | |
| TANGIBLE ASSETS | 10 | 17,464.81 | | 16,436.18 | |
| CAPITAL WORK-IN-PROGRESS | | 5,648.01 | | 435.96 | |
| NON CURRENT INVESTMENTS | 11 | 598.36 | | 598.36 | |
| LONG TERM LOANS AND ADVANCES | 12 | 662.53 | | 127.32 | |
| OTHER NON-CURRENT ASSETS | 13 | 797.19 | | 749.30 | |
| TOTAL OF NON CURRENT ASSETS (A) | | | 25,170.90 | | 18347.12 |
| **(2) CURRENT ASSETS** | | | | | |
| INVENTORIES | 14 | 9,038.59 | | 7,596.63 | |
| TRADE RECEIVABLES | 15 | 8,559.85 | | 6,687.30 | |
| CASH AND CASH EQUIVALENTS | 16 | 120.06 | | 132.19 | |
| SHORT-TERM LOANS AND ADVANCES | 17 | 1,450.38 | | 2,007.99 | |
| OTHER CURRENT ASSETS | 18 | 36.08 | | 15.66 | |
| TOTAL OF CURRENT ASSETS (B) | | | 19,204.96 | | 16439.77 |
| GRAND TOTAL ( A + B) | | | 44,375.86 | | 34786.89 |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ARE INTEGRAL PART OF THE FINANCIAL STATEMENT.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR ANUJ GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG NO. 036392N

ANUJ GUPTA
(PARTNER)
M.NO. 527632

PLACE: LUDHIANA
DATE : 05.09.2025

AKHIL MALHOTRA
DIRECTOR
DIN 00126240

Hardeep Singh
CFO

FOR AND ON BEHALF OF THE BOARD

JAYSWARUP SHARMA
WHOLE TIME DIRECTOR
DIN 08916607

Reema
CS

SHIVA TEXFABS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2025

| PARTICULARS | NOTE NO. | | FOR THE YEAR ENDED ON 31.03.2025 (RS. in Lakhs) | | FOR THE YEAR ENDED ON 31.03.2024 (RS.in Lakhs) |
|---|---|---|---|---|---|
| **I REVENUES:** | | | | | |
| REVENUE FROM OPERATIONS | 19 | | 41,365.39 | | 41,033.04 |
| OTHER INCOME | 20 | | 1,061.91 | | 967.27 |
| **TOTAL INCOME** | | | **42,427.30** | | **42,000.31** |
| **II EXPENSES:** | | | | | |
| COST OF MATERIALS CONSUMED | 21 | | 27,104.81 | | 21,121.70 |
| MANUFACTURING EXPENSES | 22 | | 10,932.45 | | 14,401.29 |
| CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE | 23 | | (2,032.34) | | (1,596.48) |
| EMPLOYEE BENEFIT EXPENSE | 24 | | 1,609.46 | | 1,995.16 |
| FINANCIAL COSTS | 25 | | 256.45 | | 318.57 |
| DEPRECIATION AND AMORTIZATION EXPENSE | | | 1,629.86 | | 1,107.12 |
| OTHER EXPENSES | 26 | | 1,885.12 | | 3,260.69 |
| **TOTAL EXPENSES** | | | **41,385.81** | | **40,608.05** |
| **III. PROFIT BEFORE EXCEPTIONAL EXTRAORDINARY ITEMS AND TAX (I-II)** | | | 1,041.49 | | 1,392.26 |
| IV. EXCEPTIONAL ITEMS | | | 224.42 | | 48,339.85 |
| **V. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (III-IV)** | | | 1,265.91 | | 49,732.11 |
| VI. EXTRAORDINARY ITEMS | | | | | |
| **VII PROFIT BEFORE TAX (V-VI)** | | | **1,265.91** | | **49,732.11** |
| **VIII. TAX EXPENSE:** | | | | | |
| (1) CURRENT TAX | | | - | | - |
| (2) DEFERRED TAX | | | 39.35 | | 142.28 |
| **IX. PROFIT AFTER TAX** | | | 1,305.26 | | 49,589.83 |
| **X. EARNING PER EQUITY SHARE:** | | | | | |
| BASIC | | | 4.29 | | 192.40 |
| DILUTED | | | 4.29 | | 192.40 |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT ARE INTEGRAL PART OF THE FINANCIAL STATEMENT.

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**FOR ANUJ GUPTA & ASSOCIATES**
**CHARTERED ACCOUNTANTS**
**FIRM REG. NO. 036392N**

**ANUJ GUPTA**
**(PARTNER)**
**M.NO. 527632**

**PLACE: LUDHIANA**
**DATE : 05.09.2025**

AKHIL MALHOTRA
**DIRECTOR**
DIN 08126240

Hardeep Singh
CFO

**FOR AND ON BEHALF OF THE BOARD**

JAYSWARUP SHARMA
**WHOLE TIME DIRECTOR**
DIN 08915607

Reema
CS

SHIVA TEXFABS LIMITED, LUDHIANA

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2025

Rs. In Lakhs

| PARTICULARS | 31.03.2025 | 31.03.2024 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| **Net Profit before tax extraordinary items** | **1,265.91** | **49,732.12** |
| **Adjustment for:** | | |
| Depriciation | 1,629.86 | 1,107.11 |
| Interest Expenditure | 248.50 | 310.22 |
| Interest Income | - | (0.62) |
| Provision for Gratuity to Workers | (22.65) | 78.82 |
| **Operating Profit before Working Capital changes** | **3,121.62** | **51,227.65** |
| **Adjustment for:** | | |
| (Increase) / Decrease in Inventories | (1,441.96) | (2,421.01) |
| (Increase) / Decrease in Trade Receivables | (1,872.56) | 797.85 |
| Increase / Decrease in Loans & Advances | (45.92) | 1,379.00 |
| Increase / Decrease in Trade Payable and Other Liabilities | 4212.86 | 2,627.72 |
| Increase / Decrease in Working Capital Requirement | (6.53) | (10.90) |
| Increase / Decrease in Short Term Provisions | - | (9.18) |
| **Cash Generated from Operations (A)** | **3,967.52** | **53,591.12** |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (2,658.48) | (1,610.43) |
| C.I.P | (5,212.05) | (435.96) |
| Sale of Fixed Assets | - | 789.61 |
| Interest Received | - | 0.62 |
| **Net Cash used in Investing Activities (B)** | **(7,870.53)** | **(1,256.17)** |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings (Net) | (5,432.74) | (54,407.76) |
| Increase / Repayment of Unsecured Loans | (5,053.00) | 2,474.16 |
| Increase in Share Capital | 684.12 | - |
| Increase in Share Premium | 13,941.00 | - |
| Payment of Interest | (248.50) | (310.22) |
| **Net Cash from Financing Activities (C)** | **3,890.88** | **(52,243.82)** |
| Net Increase/ Decrease in Cash & Cash Equivalent (A)+(B)+(C ) = (D) | **(12.13)** | **91.13** |
| Opening Balance of Cash & Cash Equivalent | 132.19 | 41.06 |
| Closing Balance of Cash & Cash Equivalent | 120.06 | 132.19 |

| AKHIL MALHOTRA | JAYSWARUP SHARMA | Hardeep Singh | Reema |
|---|---|---|---|
| **DIRECTOR** | **WHOLE TIME DIRECTOR** | CFO | CS |
| DIN 00126240 | DIN 08915607 | | |

**PLACE : LUDHIANA**
**DATE : 05.09.2025**

We have examined the attached Cah flow statement of Shiva Texfabs Limited for the period ended March 31,2025. The statement has been prepared by the Company in accordance with the requirement of the AS- 3 and is based on and derived from the audited accounts of the Company for the year ended March 31,2025.

FOR ANUJ GUPTA & ASSOCIATES
Chartered Accountants

**PLACE : LUDHIANA**
**DATE : 05.09.2025**

ANUJ GUPTA
**(PARTNER)**
**M.NO. 527632**

SHIVA TEXFABS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2025

| PARTICULARS | | AMOUNT (In Lakhs) AS AT 31.03.2025 | | AMOUNT (In Lakhs) AS AT 31.03.2024 |
|---|---|---|---|---|
| **SHARE CAPITAL** | | | | Note -1 |
| **AUTHORISED SHARE CAPITAL** | | | | |
| 3,55,00,000 ( PREVICUS YEAR 2,90,00,000) EQUITY SHARES OF RS.10 EACH | | 3,550.00 | | 2,900 |
| TOTAL | | 3,550.00 | | 2,900.00 |
| **ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL** | | | | |
| 3,04,52,934 ( PREVIOUS YEAR 2,57,74,572) EQUITY SHARES OF RS.10 EACH | 3515.47 | | | |
| LESS: CALLS UNPAID (4701755 NO OF EQUITY SHARES @ RS. 5.40) | 253.90 | 3,261.57 | | 2,577.46 |
| TOTAL | | 3,261.57 | | 2,577.46 |

**(A) DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARES IN THE COMPANY #**

| NAME OF THE SHAREHOLDERS | % | 31.03.2025 NO. OF SHARES | % | 31.03.2024 NO. OF SHARES |
|---|---|---|---|---|
| RUDRA ECOSPIN RECYCLERS LTD.(FORMERLY SHIVA SPIN-N-KNIT LTD.) | 43.66 | 153.47 | 59.54 | 153.47 |
| Rudra Ecovation Limited | 20.03 | 70.41 | 0.00 | - |
| (2339181 Equity Shares Fully Paid Up) | | | | |
| (4701755 Equity Shares Partly Paid Up) | | | | |
| AKHIL MALHOTRA | 18.92 | 66.52 | 25.81 | 66.52 |
| SHIVA SPINFAB PRIVATE LIMITED | 15.37 | 54.05 | 11.89 | 30.66 |

**PROMOTER'S SHARE HOLDING**

| | | | | |
|---|---|---|---|---|
| 1) INDIAN | | | | |
| a) INDIVIDUAL | | | | |
| AKHIL MALHOTRA | 18.92 | 66.52 | 25.81 | 66.52 |
| SIMMI MALHOTRA | 0.67 | 2.36 | 0.91 | 2.36 |
| MAYANK MALHOTRA | 0.05 | 0.18 | 0.07 | 0.18 |
| b) OTHER BODY CORPORATES | | | | |
| YOGINDERA WORSTERED LTD | 0.20 | 0.71 | - | - |
| SHIVA TEXCHAM(GUJRAT) PVT.LTD | 0.55 | 1.95 | - | - |
| SHIVA SPINFABS PVT LTD. | 15.37 | 54.05 | - | - |
| Rudra Ecovation Limited | 20.03 | 70.41 | - | - |
| RUDRA ECOSPIN RECYCLERS LTD.(FORMERLY SHIVA SPIN-N-KNIT LTD.) | 43.66 | 153.47 | 59.54 | 153.47 |

**(B) RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR**

| EQUITY SHARES (EACH OF FACE VALUE RS. 10.00 ) | 31.03.2025 | | 31.03.2024 | |
|---|---|---|---|---|
| | NO. OF SHARES | RS. | NO. OF SHARES | RS. |
| AT THE BEGINNING OF THE YEAR | 257.75 | 2,577.46 | 257.75 | 2,577.46 |
| ADD: ISSUED DURING THE YEAR | 93.80 | 684.11 | - | - |
| OUTSTANDING AT THE END OF THE YEAR | 351.55 | 3,261.57 | 257.75 | 2,577.46 |

| RESERVE & SURPLUS | | | | Note -2 |
|---|---|---|---|---|
| **CAPITAL RESERVE** | | | | |
| OPENING BALANCE | 21,656.00 | | 21,656.00 | |
| ADD: DURING THE YEAR | | 21,656.00 | | 21,656.00 |
| **GENERAL RESERVE** | | | | |
| OPENING BALANCE | 700.23 | 700.23 | 700.23 | |
| ADD: DURING THE YEAR | | | | 700.23 |
| **PROFIT & LOSS ACCOUNT** | | | | |
| OPENING BALANCE (PROFIT / (LOSS)) | (38,324.26) | | (87,914.09) | |
| ADD: PROFIT / (LOSS) DURING THE YEAR | 1,305.26 | | 49,589.83 | |
| | (37,019.00) | | (38,324.26) | |
| ADD: PREVIOUS YEAR DEPRICIATION ADJUSTMENT | - | (37,019.00) | - | (38,324.26) |
| **SHARE PREMIUM ACCOUNT** | | | | |
| OPENING BALANCE | 19,254.33 | | 19,254.33 | |
| ADD: ADDITIONS DURING THE YEAR | 13,941.00 | | - | |
| CLOSING BALANCE | | 33,195.33 | | 19,254.33 |
| TOTAL | | 18,532.56 | | 3,286.30 |



SHIVA TEXFABS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2025

| PARTICULARS | | AMOUNT (In Lakhs) AS AT 31.03.2025 | | AMOUNT (In Lakhs) AS AT 31.03.2024 |
|---|---|---|---|---|
| LONG TERM BORROWING | | | | Note -3 |
| SECURED LOANS | | | | |
| TERM LOANS (SEE NOTE BELOW) | | | | |
| ALCHEMIST ASSET RECONSTRUCTION CO. LTD. - XVI TRUST | | 8,538.04 | | 9,538.04 |
| LIFE INSURANCE CORPN. OF INDIA LOAN A/C | | 330.64 | | 300.95 |
| | | 8,868.68 | | 9,838.99 |
| LESS: INSTALMENTS DUE WITHIN 12 MONTHS | | 8,538.04 | | 4,075.60 |
| | | **330.64** | | **5,763.39** |

DURING THE YEAR 2017-18, ALLAHABAD BANK (NOW INDIAN BANK), UNION BANK OF INDIA AND STATE BANK OF INDIA AND DURING THE YEAR 2018-19, IDBI BANK LTD.AND PUNJAB NATIONAL BANK HAVE ASSIGNED ALL THE RIGHTS, TITLE AND INTERESTS IN THE ENTIRE OUTSTANDING DUES OWED BY THE COMPANY AND GUARANTORS, TOGETHER WITH ALL THE SECURITIES AND GUARANTEES, IN FAVOUR OF ALCHEMIST ASSET RECONSTRUCTION COMPANY LIMITED ('AARC')ACTING IN ITS CAPACITY AS TRUSTEE OF ALCHEMIST-XVI TRUST VIDE DIFFERENT ASSIGNMENT AGREEMENTS DATED 13.12.2017, 28.02.2018, 26.03.2018, 08.05.2018 AND 23.08.2018 RESPECTIVELY.
THE REVISED REPAYMENT SCHEDULE FOR THE DEBT ACQUIRED BY AARC IS AS FOLLOWS:

| DUE DATE OF INSTALMENTS | AMOUNT-RS |
|---|---|
| ON OR BEFORE 20.09.2023 | 204,990,000 |
| ON OR BEFORE 20.03.2024 | 204,480,000 |
| ON OR BEFORE 20.09.2024 | 204,060,000 |
| ON OR BEFORE 20.03.2025 | 203,500,000 |
| ON OR BEFORE 20.09.2025 | 240,960,000 |
| ON OR BEFORE 20.03.2026 | 312,300,000 |

**A) TERM LOANS** ARE SECURED AGAINST FIRST CHARGE ON ENTIRE FIXED ASSETS OF THE COMPANY ON PARI PASSU BASIS INCLUDING EQUITABLE MORTGAGE OF THE LEASEHOLD RIGHTS ON FACTORY LAND AND ACRES WITH A COVERED AREA OF ABOUT 55140 SQ.YARDS SITUATED AT VILLJRAAQ,MACHHIWARA ROAD,MACHHIWARA,DISTT.LUDHIANA AND LEASEHOLD RIGHTS ON FACTORY LAND & BUILDING MEASURING 71.19 ACRES WITH A COVERED AREA OF ABOUT 206750 SQ.YARDS SITUATED AT VILL.BHATTIA, MACHHIWARA ROAD, MACHHIWARA, DISTT.LUDHIANA.

**B)** THESE TERM LOANS ARE FURTHER COLLATERALLY SECURED BY SECOND CHARGE ON ENTIRE CURRENT ASSETS OF THE COMPANY ON PARI PASSU BASIS.

**C)** THESE TERM LOANS ARE FURTHER SECURED BY EQUITABLE MORTGAGE OF UPPER GROUND FLOOR PORTION OF MULTY STOREYED COMPLEX AT CITY TOWER MODEL TOWN LUDHIANA,MSG.48.71 SQ.YARDS (WASIKA NO.14114 DT.11.03.2002) ON PARI PASSU BASIS IN THE NAME OF SH.AKHIL MALHOTRA.

**D)** THESE ARE FURTHER SECURED BY PERSONAL GURANTEE OF SH.AKHIL MALHOTRA, SH.MAYANK MALHOTRA AND THIRD PARTY GURANTEE OF SMT.SIMMI MALHOTRA & CORPORATE GUARANTEE OF BALMUKHI TEXTILES PRIVATE LTD. AND BRIJESTWARI TEXTILES PVT LTD.

**E)** PLEDGE OF ENTIRE PROMOTER SHAREHOLDING & OTHER( NO OF SHARES-10237754) ON PARI PASSU BASIS.

**F)**EM OF FARM HOUSE MEASURING 1691 SQ YARDS AT CARLTON WOODS,AYALI KALAN,LUDHIANA(WASIKA NO.15836 )ON PARI PASSU BASIS.

**G)** EM OF FARM HOUSE MEASURING 1251 SQ YARDS AT CARLTON WOODS, AYALI KALAN, LUDHIANA (WASIKA NO. 19504) WITH AARC.

**H)** EM OF FARM HOUSE MEASURING 1210 SQ YARDS AT CARLTON OODS, AYALI KALAN, LUDHIANA (WASIKA NO. 3350) ON PARI PASSU BASIS.



SHIVA TEXFABS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2025

| PARTICULARS | | AMOUNT (In Lakhs) AS AT 31.03.2025 | | AMOUNT (In Lakhs) AS AT 31.03.2024 |
|---|---|---|---|---|
| **UNSECURED LOANS** | | | | |
| **FROM PROMOTERS/DIRECTORS/ICDs** | | | | |
| SH. AKHIL MALHOTRA | | 156.01 | | 156.01 |
| AMEO INDIA PRIVATE LIMITED | | - | | 605.00 |
| SHIVA SPIN FAB PVT. LTD. | | 1,053.23 | | 5,501.22 |
| BALMUKHI TEXTILES PVT. LTD. | | 594.00 | | 594.00 |
| RUDRA ECOSPIN RECYCLERS LTD.(FORMERLY SHIVA SPIN-N-KNIT LTD.) | | 100.00 | | 100.00 |
| | | 1,903.24 | | 6,956.23 |
| **TOTAL** | | **2,233.68** | | **12,719.62** |

| PARTICULARS | | AMOUNT (In Lakhs) AS AT 31.03.2025 | | AMOUNT (In Lakhs) AS AT 31.03.2024 |
|---|---|---|---|---|
| **OTHER LONG TERM LIABILITIES** | | | | **Note -4** |
| CREDITORS AGAINST CAPITAL GOODS | | - | | - |
| **TOTAL** | | | | |

| | | | | |
|---|---|---|---|---|
| **LONG TERM PROVISIONS** | | | | **Note -5** |
| PROVISION FOR GRATUITY | | 407.02 | | 435.91 |
| **TOTAL** | | **407.02** | | **435.91** |

| | | | | |
|---|---|---|---|---|
| **SHORT TERM BORROWINGS** | | | | **Note -6** |
| KARUR VYASYA BANK | | 638.06 | | 644.58 |
| **TOTAL** | | **638.06** | | **644.58** |

**(A) WORKING CAPITAL LIMITS** ARE SECURED AGAINST FIRST CHARGE ON ENTIRE CURRENT ASSETS OF THE COMPANY.

**(B)** THESE ARE FURTHER SECURED BY SECOND CHARGE ON ENTIRE FIXED ASSETS OF THE COMPANY.

**(C)** THESE ARE FURTHER SECURED BY EQUITABLE MORTGAGE OF UPPER GROUND FLOOR PORTION OF MULTY STOREYED COMPLEX AT CITY TOWER MODEL TOWN LUDHIANA.MSG.48.71 SQ.YARDS (WASIKA NO.14114 DT.11.03.2002)IN THE NAME OF SH.AKHIL MALHOTRA ON PARI PASSU BASIS.

**(D)** THESE ARE FURTHER SECURED BY PERSONAL GURANTEE OF SH.AKHIL MALHOTRA, SH.MAYANK MALHOTRA AND THIRD PARTY GURANTEE OF SMT.SIMMI MALHOTRA & CORPORATE GUARANTEE OF BALMUKHI TEXTILES PRIVATE LIMITED AND BRIJESTWARI TEXTILES PVT LIMITED.

**E)** PLEDGE OF ENTIRE PROMOTER SHAREHOLDING & OTHERS( NO OF SHARES-10237754)

**F)**EM OF FARM HOUSE MEASURING 1691 SQ YARDS AT CARLTON WOODS,AYALI KALAN,LUDHIANA.(WASIKA NO.15836)ON PARI PASSU BASIS.

**G)**EM OF FARM HOUSE MEASURING 1210 SQ YARDS AT CARLTON OODS, AYALI KALAN, LUDHIANA(WASIKA NO. 3350)ON PARI PASSU BASIS.

| PARTICULARS | | AMOUNT (In Lakhs) AS AT 31.03.2025 | | AMOUNT (In Lakhs) AS AT 31.03.2024 |
|---|---|---|---|---|
| **TRADE PAYABLES** | | | | **Note -7** |
| OUTSTANDING DUES OF: | | | | |
| RELATED PARTIES | | | | |
| (I) MSME | | 2,073.92 | | 3,000.60 |
| (II) OTHERS | | | | - |
| - LESS THAN 1 YEAR | | 4,414.84 | | 4,277.62 |
| - 1-2 YEARS | | 352.56 | | 227.44 |
| - 2-3 YEARS | | 415.87 | | 31.39 |
| - MORE THAN 3 YEAR | | 182.83 | | 5.85 |
| (III) DISPUTED DUES - MSME | | - | | |
| (IV) DISPUTED DUES -Others | | - | | |
| **TOTAL** | | **7,440.02** | | **7,542.90** |

| | | | | |
|---|---|---|---|---|
| **OTHER CURRENT LIABILITIES** | | | | **Note -8** |
| ADVANCE FROM CUSTOMERS | | 27.10 | | 92.31 |
| EXPENSES & OTHER PAYABLE | | 2,924.05 | | 3,005.53 |
| TERM LOANS INSTALLMENTS (REPAYABLE WITHIN 12 MONTHS) | | 8,538.04 | | 4,075.60 |
| **TOTAL** | | **11,489.19** | | **7,173.44** |

| | | | | |
|---|---|---|---|---|
| **SHORT TERM PROVISIONS** | | | | **Note -9** |
| PROVISION FOR GRATUITY | | 24.04 | | 17.81 |
| **TOTAL** | | **24.04** | | **17.81** |



SHIVA TEXFABS LIMITED,LUDHIANA

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2025

PROPERTY, PLANT & EQUIPMENTS

NOTE-10

(Rs. In Lakhs)

| PARTICULARS | | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | AS AT 01.04.2024 | ADDITIONS DURING THE YEAR | SOLD/TRF. DURING THE YEAR | AS AT 31.03.2025 | AS AT 01.04.2024 | FOR THE YEAR | Depreciation Adjusted | AS AT 31.03.2025 | AS AT 31.03.2025 | AS AT 31.03.2024 |
| **SPINNING UNIT, FIBRE UNIT & DYEING UNIT** | | | | | | | | | | | |
| LAND | | 3,190.93 | - | | 3,190.93 | - | - | | - | 3,190.93 | 3,190.93 |
| BUILDING | | 12,317.01 | - | | 12,317.01 | 6,033.39 | 379.74 | | 6,413.13 | 5,903.88 | 6,283.62 |
| FURNITURE & FIXTURE | | 160.07 | 7.72 | | 167.79 | 138.32 | 3.39 | | 141.71 | 26.08 | 21.75 |
| **PLANT & MACHINERY** | | | | | | | | | | | |
| MACHINERY | | 32,602.00 | 48.27 | | 32,650.27 | 29,087.48 | 266.06 | - | 29,353.54 | 3,296.73 | 3,514.52 |
| ELECTRIC FITTING | | 788.10 | - | | 788.10 | 748.70 | - | | 748.70 | 39.40 | 39.40 |
| ELECTRICALS / 66 KVA SUB STATION | | 673.99 | - | | 673.99 | 641.97 | 0.12 | | 642.09 | 31.90 | 32.02 |
| E.T.P. | | 529.56 | - | | 529.56 | 503.08 | - | | 503.08 | 26.48 | 26.48 |
| MISC.FIXED ASSETS | | 266.66 | 4.55 | | 271.21 | 246.53 | 2.10 | | 248.63 | 22.58 | 20.13 |
| CAR | | 237.21 | - | | 237.21 | 223.85 | 1.37 | - | 225.22 | 11.99 | 13.36 |
| SCOOTER | | 2.66 | - | | 2.66 | 2.55 | - | | 2.55 | 0.11 | 0.11 |
| VEHICLES | | 382.47 | - | | 382.47 | 275.37 | 16.94 | | 292.11 | 90.36 | 107.10 |
| COMPUTER | | 154.61 | 12.68 | | 167.29 | 125.08 | 2.42 | | 127.50 | 39.79 | 9.53 |
| **POY UNIT, NON-WOVEN UNIT AND THREAD YARN UNIT** | | | | | | | | | | | |
| **BUILDINGS** | | | | | | | | | | | |
| BUILDING (POY) | | 2,053.84 | - | | 2,053.84 | 1,458.11 | 56.40 | | 1,514.51 | 539.33 | 595.73 |
| BUILDING (NON WOVEN) | | 1,511.22 | - | | 1,511.22 | 1,011.74 | 48.42 | | 1,060.16 | 451.06 | 499.48 |
| BUILDING (SPG.THREAD YARN) | | 1,467.43 | - | | 1,467.43 | 1,004.14 | 43.93 | | 1,048.07 | 419.36 | 463.29 |
| BUILDING (New HO) | | - | 3.64 | | 3.64 | - | 0.02 | | 0.02 | 3.62 | - |
| FURNITURE & FIXTURE | | 7.52 | 7.42 | | 14.94 | 7.15 | 0.69 | | 7.84 | 7.10 | 0.37 |
| **PLANT & MACHINERY** | | | | | | | | | | | |
| PLANT & MACHINERY (POY) | | 5,132.07 | 2,408.06 | | 7,540.13 | 4,498.89 | 696.78 | | 5,195.67 | 2,344.46 | 633.18 |
| PLANT & MACHINERY (NON WOVEN) | | 6,574.69 | - | | 6,574.69 | 6,234.61 | 8.62 | | 6,243.23 | 341.46 | 340.08 |
| PLANT & MACHINERY (SPG.THREAD YARN) | | 8,063.70 | - | | 8,063.70 | 7,460.20 | 77.48 | | 7,537.68 | 526.02 | 603.50 |
| E.T.P. | | 258.75 | - | | 258.75 | 238.11 | - | | 238.11 | 20.64 | 20.64 |
| ELECTRICALS | | 26.20 | 32.38 | | 58.58 | 24.89 | 2.44 | | 27.33 | 31.25 | 1.31 |
| 66 KVA SUB STATION | | 316.86 | - | | 316.86 | 312.95 | - | | 312.95 | 3.91 | 3.91 |
| MISC. FIXED ASSETS | | 33.76 | - | | 33.76 | 32.07 | - | | 32.07 | 1.69 | 1.69 |
| CAR | | 49.54 | 132.61 | | 182.15 | 47.06 | 23.03 | | 70.09 | 112.06 | 2.48 |
| COMPUTER | | 19.26 | 1.15 | | 20.41 | 17.78 | 0.01 | | 17.79 | 2.62 | 1.48 |
| | TOTAL Rs. | 76,800.11 | 2,658.48 | - | 79,458.59 | 60,363.92 | 1,629.85 | - | 61,993.78 | 17,464.81 | 16,436.19 |
| **PREVIOUS YEAR** | | 75,979.29 | 1,610.43 | 789.61 | 76,800.11 | 59,256.82 | 1,107.11 | - | 60,363.93 | 16,436.19 | - |

*NOTE : DEPRECIATION ON FIXED ASSETS AT SPINNING UNIT, FIBRE UNIT AND DYEING UNIT IS PROVIDED ON STRAIGHT LINE METHOD DURING THE YEAR AT THE RATE AND IN THE MANNER SPECIFIED IN SCHEDULE II OF THE COMPANIES ACT, 2013. WHEREAS ON FIXED ASSETS AT POY UNIT, NON-WOVEN UNIT AND THREAD YARN UNIT IS PROVIDED ON WRITTEN DOWN VALUE METHOD DURING THE YEAR AT THE RATE AND IN MANNER SPECIFIED IN SCHEDULE II OF THE COMPANIES ACT, 2013.*



SHIVA TEXFABS LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2025

| PARTICULARS | | AMOUNT (In Lakhs) AS AT 31.03.2025 | | AMOUNT (In Lakhs) AS AT 31.03.2024 |
|---|---|---|---|---|
| **NON CURRENT INVESTMENTS** | | | | Note -11 |
| **UNQUOTED AT COST** | | | | |
| 2,99,750 EQUITY SHARES OF YOGINDERA WORSTED LTD. @ RS. 16/- EACH (FACE VALUE RS. 10/- EACH) | | 47.96 | | 47.96 |
| 4,00,000 EQUITY SHARES OF SHIVA SPECIALITY YARNS LTD. @ Rs. 10/- EACH (FACE VALUE RS. 10/- EACH) | | 40.00 | | 40.00 |
| 12,00,000 4% NON-CUMMULATIVE REDEEMABLE PREFERENCE SHARES OF RUDRA ECOVATION LTD. (FORMERLY HIMACHAL FIBRE LTD) | | 510.40 | | 510.40 |
| **TOTAL** | | **598.36** | | **598.36** |
| **LONG TERM LOANS & ADVANCES** | | | | Note -12 |
| ADVANCE TO SUPPLIERS -CAPTIAL GOODS | | 662.53 | | 127.32 |
| **TOTAL** | | **662.53** | | **127.32** |
| **OTHER NON CURRENT ASSETS** | | | | Note -13 |
| SECURITIES | | 797.19 | | 749.30 |
| **TOTAL** | | **797.19** | | **749.30** |
| **INVENTORY** | | | | Note -14 |
| RAW MATERIAL | | 1,671.97 | | 2,448.74 |
| WORK IN PROGRESS | | 1,023.39 | | 919.49 |
| FINISHED GOODS | | 5,202.55 | | 3,379.61 |
| STORES & SPARES | | 960.92 | | 774.54 |
| WASTES (USEABLE) | | 179.76 | | 74.25 |
| **TOTAL** | | **9,038.59** | | **7,596.63** |
| **TRADE RECEIVABLES** | | | | Note -15 |
| (UNSECURED AND CONSIDERED GOOD UNLESS OTHERWISE STATED) | | | | |
| RELATED PARTIES - WHERE DIRECTOR IS DIRECTOR OR MEMBER | | | | |
| (I) UNDISPUTED TRADE RECEIVABLE - CONSIDERED GOOD | | | | |
| LESS THAN 6 MONTHS | | 4,103.57 | | 5,285.79 |
| 6 MONTHS TO 1 YEAR | | 1,247.81 | | 661.04 |
| 1-2 YEARS | | 2,503.52 | | 50.37 |
| 2-3 YEARS | | 42.91 | | 28.81 |
| MORE THAN 3 YEARS | | 662.04 | | 661.29 |
| OTHER PARTIES | | | | |
| (II) UNDISPUTED TRADE RECEIVABLE - CONSIDERED DOUBTFUL | | | | |
| (III) DISPUTED TRADE RECEIVABLE - CONSIDERED GOOD | | | | |
| (IV) DISPUTED TRADE RECEIVABLE - CONSIDERED DOUBTFUL | | | | |
| LESS: PROVISION FOR DOUBTFUL DEBTS | | | | |
| **TOTAL** | | **8,559.85** | | **6,687.30** |
| **CASH AND BANK BALANCES** | | | | Note -16 |
| A) CASH IN HAND/IMPRESTS | | 116.09 | | 128.23 |
| **B) BALANCES WITH NOTED BANKS IN** | | | | |
| -CURRENT ACCOUNTS | | 3.97 | | 3.96 |
| **TOTAL** | | **120.06** | | **132.19** |
| **SHORT TERM LOAN & ADVANCES** | | | | Note -17 |
| ADVANCE RECOVERABLE IN CASH OR IN KIND | | 550.29 | | 789.83 |
| ADVANCES TO SUPPLIERS | | 900.09 | | 1,218.16 |
| **TOTAL** | | **1,450.38** | | **2,007.99** |
| **OTHER CURRENT ASSETS** | | | | Note -18 |
| FIXED DEPOSITS WITH BANKS (AGAINST BANK GUARANTEE) | | 10.00 | | 10.00 |
| FIXED DEPOSITS WITH BANKS (AGAINST MAHINDRA & MAHINDRA FIN) | | 20.00 | | |
| FIXED DEPOSIT WITH BANKS (AGAINST LC) | | 6.08 | | 5.66 |
| **TOTAL** | | **36.08** | | **15.66** |

ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

SHIVA TEXFABS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2025

| PARTICULARS | AMOUNT (In Lakhs) AS AT 31.03.2025 | AMOUNT (In Lakhs) AS AT 31.03.2024 |
|---|---|---|
| **REVENUES FROM OPERATION** | | Note -19 |
| DOMESTIC SALES | 41,365.39 | 41,033.04 |
| TOTAL | 41,365.39 | 41,033.04 |
| NET SALES | 41,365.39 | 41,033.04 |
| **TOTAL** | **41,365.39** | **41,033.04** |

| OTHER INCOME | | Note -20 |
|---|---|---|
| INTEREST RECEIVED | 1.60 | 0.62 |
| Exchange Rate Differences on Import | 14.09 | |
| INSURANCE CLAIM RECEIVED | 69.20 | |
| MISC. RECEIPTS | 5.80 | 2.89 |
| RENT RECEIVED | 971.22 | 963.76 |
| **TOTAL** | **1,061.91** | **967.27** |

| COST OF RAW MATERIAL CONSUMED | | Note -21 |
|---|---|---|
| OPENING STOCK IN HAND | 2,448.74 | 1,847.29 |
| ADD: PURCHASES | **26,292.37** | **21,713.95** |
| ADD: LOADING & UNLOADING CHGS. AND FREIGHT | 35.67 | 9.20 |
| **TOTAL (A)** | **28,776.78** | **23,570.44** |
| **CLOSING STOCK** | 1,671.97 | 2,448.74 |
| **TOTAL (B)** | **1,671.97** | **2,448.74** |
| **RAW MATERIAL CONSUMED** | 27,104.81 | 21,121.70 |

| MANUFACTURING EXPENSES | | Note -22 |
|---|---|---|
| CONSUMABLE STORES | 587.39 | 679.03 |
| DYES & CHEMICALS | 714.15 | 1,503.65 |
| FUEL CHARGES | 967.35 | 1,460.17 |
| JOB WORK | 137.19 | 789.97 |
| OIL & LUBRICANTS | 31.91 | 75.91 |
| PACKING MATERIAL | 475.81 | 474.26 |
| POWER CONSUMED | 3,702.74 | 4,595.04 |
| WAGES | 4,315.91 | 4,823.26 |
| **TOTAL** | **10,932.45** | **14,401.29** |

| INCREASE/ (DECREASE IN STOCKS) | | Note -23 |
|---|---|---|
| **CLOSING STOCK** | | |
| FINISHED GOODS | 5,202.55 | 3,379.61 |
| WORK IN PROGRESS | 1,023.38 | 919.49 |
| WASTE | 179.76 | 74.25 |
| **TOTAL (A)** | **6,405.69** | **4,373.35** |
| **OPENING STOCK** | | |
| FINISHED GOODS | 3,379.61 | 1,909.00 |
| WORK IN PROGRESS | 919.49 | 744.16 |
| WASTE | 74.25 | 123.71 |
| **TOTAL (B)** | **4,373.35** | **2,776.87** |
| **INCREASE/ (DECREASE IN STOCK) (B-A)** | **(2,032.34)** | **(1,596.48)** |



SHIVA TEXFABS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2025

| EMPLOYEE BENEFIT EXPENSES | | | | Note -24 |
|---|---|---|---|---|
| BONUS | | 130.92 | | 174.14 |
| CONT. TO EMPLOYEE STATE INSURANCE | | 57.80 | | 77.62 |
| CONT. TO PROVIDENT FUND | | 4.36 | | 5.59 |
| LABOUR REFRESHMENT EXPENSES | | 30.84 | | 46.57 |
| DIRECTOR REMUNERATION | | | | 16.27 |
| INCENTIVE TO STAFF & WORKERS | | 30.17 | | 79.78 |
| LEAVE WITH WAGES/SALARY | | 166.64 | | 194.48 |
| PROVISION FOR GRATUITY TO STAFF / WORKERS | | (22.65) | | 78.82 |
| PUNJAB LABOUR WELFARE FUND | | 2.33 | | 3.61 |
| SALARY | | 1,179.60 | | 1,280.06 |
| NATIONAL APPRENTICESHIP TRAINING SCHEME | | 0.61 | | 13.26 |
| STAFF REFRESHMENT EXPENSES | | 28.84 | | 24.96 |
| TOTAL | | 1,609.46 | | 1,995.16 |

| FINANCIAL EXPENSES | | | | Note -25 |
|---|---|---|---|---|
| BANK CHARGES | | 7.96 | | 8.35 |
| BANK INTEREST | | 90.57 | | 106.94 |
| INTEREST ON LONGTERM LOANS | | 29.70 | | - |
| INTEREST ON TDS / TCS | | 8.39 | | 14.06 |
| INTEREST TO OTHER & HIRE CHARGES | | 119.83 | | 187.22 |
| TOTAL | | 256.45 | | 318.57 |

| OTHER EXPENSES | | | | Note -26 |
|---|---|---|---|---|
| ADMINISTRATIVE EXPENSES | | | | |
| ADVERTISEMENT | | 4.22 | | 9.45 |
| ANNUAL MAINTENANCE CHARGES | | 2.88 | | 1.18 |
| AUDIT FEE | | 0.30 | | 0.30 |
| BUILDING REPAIRS | | 70.44 | | 117.01 |
| CAR / VEHICLE RUNNING & MAINT. EXPENSES | | 200.06 | | 230.17 |
| COMPUTER EXPENSES | | 5.15 | | 16.95 |
| CSR Expenditure | | 13.00 | | - |
| DIWALI EXP. | | 0.31 | | 9.10 |
| DONATION | | 1.14 | | 0.10 |
| ELECTRIC REPAIRS | | 57.09 | | 145.32 |
| ELECTRICITY & WATER CHARGES | | 19.31 | | 21.63 |
| EXHIBITION EXPENSES | | 39.69 | | 24.23 |
| FIRE FIGHTING EXPS. | | 2.43 | | 1.02 |
| HORTICULTURE/GARDENING EXPENSES | | 0.19 | | 0.56 |
| HOUSE KEEPING EXPENSES | | 3.21 | | 1.12 |
| INSURANCE EXPENSES | | 17.67 | | 15.71 |
| JOB PLACEMENT CHARGES | | - | | 13.02 |
| LEGAL CHARGES | | 10.01 | | 0.21 |
| LOCAL CONVEYANCE | | 3.08 | | 3.04 |
| MISC. EXPENSES | | 14.18 | | 30.38 |
| MISC. REPAIRS & MAINTAINENCE | | 65.11 | | 85.92 |
| NEWSPAPER BOOKS & PERIODICALS | | 0.18 | | 0.09 |
| PLANT & MACHINERY REPAIR | | 682.03 | | 1,279.40 |
| PRINTING & STATIONERY | | 10.06 | | 13.26 |
| PROFESSIONAL CHARGES | | 49.21 | | 122.63 |
| LOSS ON SALE OF LAND | | - | | 433.61 |
| INCOME TAX PAID ON REGULAR ASSESSMENT | | - | | 0.16 |
| RENT, RATES & TAXES | | 178.02 | | 494.84 |
| SUBSCRIPTION | | 0.60 | | 1.21 |
| TELEPHONE, POSTAGE & COURIER | | 19.25 | | 15.10 |
| TRAVELLING EXPENSES | | 68.34 | | 20.56 |
| TOTAL (A) | | 1,537.38 | | 3,107.48 |
| SELLING EXPENSES | | | | |
| COMMISION | | 47.38 | | 14.57 |
| FREIGHT & OCTROI | | 286.78 | | 101.46 |
| SALES PROMOTION EXPENSES | | 13.58 | | 37.18 |
| TOTAL (B) | | 347.74 | | 153.21 |
| GRAND TOTAL (A+B) | | 1,885.12 | | 3,260.69 |



SHIVA TEXFABS LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31.3.2025

| | | | | | | NOTE NO.27 |
|---|---|---|---|---|---|---|
| | Particulars | Numerator | Denominator | As At 31st March 2025 | Variance | As At 31st March 2024 |
| (a) | Current Ratio | Current assets | Current liabilities | 0.98 | -8.30% | 1.07 |
| (b) | Debt – Equity Ratio | Total Debt | Shareholder's Equity | 3.50 | -48.30% | 6.77 |
| (c) | Debt Service Coverage Ratio | Earnings available for debt service | Debt Service | 0.34 | -97.27% | 12.41 |
| (d) | Return on Equity (ROE) | Net Profit | Shareholder's Equity | 40.02 | -1883.96% | 1,923.98 |
| (e) | Inventory Turnover Ratio | Cost of Goods Sold | Average Inventory | 3.35 | -9.85% | 3.71 |
| (f) | Trade receivables turnover ratio | Revenue From Operations | Average Trade Receivable | 5.43 | -4.04% | 5.65 |
| (g) | Trade payables turnover ratio | Purchases | Average Trade Payables | 3.88 | -5.96% | 4.13 |
| (h) | Net capital turnover ratio | Sales | Average Working Capital | 122.74 | 102.08% | 20.66 |
| (i) | Net profit ratio | Net Profit | Total Income | 3.15 | -117.70% | 120.85 |
| (j) | Return on capital employed (ROCE) | Earning before interest and taxes | Capital Employed | 0.12 | -19.19% | 0.15 |
| (k) | Return on Investment(ROI) | Income generated from investments | Time weighted average investments | N.A. | | N.A. |
| | | | | | | |
| | **Reasons for variance of more than 25%** | | | | | |

(b) Debt Equity ratio : Decrease in ratio is due to decrease in total debt.

(c) Debt service coverage ratio : Decrease in ratio is due to decrease in earning available for serving of debt.

(d) Return on Equity : Decrease in ratio is due to decrease in net profit & increase in Capital.

(e) Net Capital turnover ratio : Increase in ratio is due to decrease in average working capital.

(j) Net Profit Ratio : Decrease in ratio is due to decresae in profit.



**SHIVA TEXFABS LIMITED, LUDHIANA**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025.**

**28 Corporate Information:**

Shiva Texfabs Limited is a Public Limited company incorporated in India under the provisions of Companies Act, 1956. The Company is engaged in manufacturing of Synthetic Yarns, Pet Flakes, Polyester Fiber, POY, Non Woven and Knitted Fabric etc.

**29 Significant Accounting Policies:**

**29.1 Basis of Preparation of Financial Statements:**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, and other relevant provisions of Companies Act, 2013. Financial Statements have been prepared in accordance with historical cost convention on accrual basis.

The company has rounded off the figures to nearest lakhs in financial statements as required by Schedule III to the Companies Act, 2013.

**29.2 Use of Estimates:**

The preparation of the financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements, and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates. Any changes in estimates are given effect to in the financial statements prospectively.

**29.3 Revenue Recognition:**

Revenue on sale of products is recognized at the point of dispatch of goods to the customers. Revenue in respect of exports made during the year is recognized on a post export basis.

**29.4 Inventories:**

Inventories of Raw Material, Consumables etc. and Finished Goods are valued at cost or net realizable value whichever is lower, cost being purchase price plus other expenses incurred in bringing the inventories to their present location and condition. Work in Process is valued at estimated cost upto the stage of production achieved, and waste is valued at net realizable value. In regard to slow moving/ degraded stocks of Finished Goods, inventory value is reduced and segregated from inventories and accounted accordingly. The quantity of inventories available in records of the Company is certified and valued by the Management.

**29.5 Depreciation:**

Depreciation on all the Tangible assets is provided as per following:-

a) Spinning Units, Fibre Unit and Dyeing Unit
Depreciation on Tangible Assets has been provided on Straight Line method based on the useful life of the asset in the manner prescribed in Schedule II to the Companies Act, 2013. On Plant and Machinery, depreciation has been provided on triple shift basis.

b) POY Unit, Non-Woven Unit and Thread Yarn Unit (including 66 KVA transformer)
Depreciation on Tangible Assets has been provided on written down value method based on the useful life of the asset in the manner prescribed in Schedule II to the Companies Act, 2013.Depreciation has been provided on Plant and Machinery on triple shift basis.

**29.6 Investments:**

Long-term investments are valued at cost less provisions, if any, for diminution in their value which is other than temporary in nature and current Investments are carried at lower of cost and fair value.



ANUJ GUPTA & ASSOCIATES CA CHARTERED ACCOUNTANTS FRN-03 LUDHIANA

**29.7 Property, Plant & Equipment, Intangible Asset and Capital work in progress:**

All Fixed Assets are stated at historical cost of acquisition including any cost attributable for bringing the assets in its working condition for its intended use less accumulated depreciation. Intangible assets acquired separately are measured on initial recognition at cost less accumulated amortization and accumulated impairment losses, if any. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as the Capital Work-in-progress.

**29.8 Expenditure incurred during construction period:**

In respect of new/expansion of units, the indirect expenditure incurred during construction period up to the date of the commencement of commercial production, is capitalized as part of value of various categories of fixed assets for an amount computed on proportionate basis.

Expenditure of capital nature are capitalized at cost, which comprises purchase price, levies and any other directly attributable cost of bringing the assets to its working condition for the intended use.

**29.9 Employee's Retirement Benefits:**

a) Short term Employees Benefits are recognized as expenses on an undiscounted basis in the profit and loss account of the year in which the related service is rendered.
b) Post Employment Benefits:
   - Defined Contribution Plans:
     Provident Fund: Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provision Act, 1952 and is charged to the statement of profit and loss.
   - Defined Benefit Plans:
     Gratuity: Provision for gratuity liability to employees is made on the basis of actuarial valuation as at the close of the year.
c) The actuarial gain/loss is recognized in the statement of profit and loss.

**29.10 Foreign Currency Transactions:**

a) Foreign currency transactions are recorded as initially recognized at the rate prevailing on the date of the transaction. Any Income or loss on account of exchange difference at the time of negotiation of export bills with the banks is recognized in the export sales account and in cases where they relate to acquisition of fixed assets are adjusted to the carrying cost of such assets.
b) Foreign Currency monetary items are reported using the closing rate. Exchange difference arising on the settlement of monetary items or on reporting the same at the closing rate as the balance sheet date are recognized as income or expense.
c) The premium or discount arising at the inception of forward exchange contracts is amortized as an expense or income over the life of the contract.
d) Exchange differences on the aforesaid forward exchange contracts are recognized in the statement of profit and loss in the reporting period in which the exchange rates change. Profit or loss arising on cancellation or renewal of such contracts is recognized as income or expense in the period in which such profit or loss arises.

**29.11 Accounting for Taxes on Income:**

**Current Taxes:**
Current Tax (if any) is determined as the amount of tax payable in respect of taxable income for period after considering tax allowances and exemptions.

**Deferred Taxes:**
Deferred Tax is recognized, subject to consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more accounting periods. Changes in deferred tax assets and liabilities between one Balance Sheet date and the next are recognized in the Statement of Profit and Loss in the year of change.
Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which these assets can be realized in future, whereas in case of



ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS

existence of unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization backed by convincing evidence. Deferred tax assets are reviewed at each Balance Sheet date.

**Minimum Alternate Tax:**
Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each Balance Sheet date & the carrying amount of the MAT credit asset is adjusted to the extent of there being convincing evidence to the effect that the Company will be able to take credit of MAT during the specified period.

**29.12 Impairment of Assets:**
The carrying amount of assets is reviewed at each Balance Sheet date. If there is any indication of impairment based on internal and external factors, an impairment loss to the extent that the carrying amount of an asset exceeds its recoverable amount, is recognized by the Company. The recoverable amount is the value of the asset, being greater of asset's net selling price and value in use.

**29.13 Earning per Share:**
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. In case when there is no Dilutive Potential Shares outstanding during the year, the Diluted Earnings Per share is same as Basic Earnings per share.

**29.14 Borrowing Costs:**
Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**30 Contingent Liabilities not provided for:**

a) The Company has executed Bonds in favour of Governmental Authorities for fulfilling the export obligation undertaken by the Company in accordance with the applicable statute. The Company is expected to meet the obligation over the stipulated years, and that the Company is contingently liable to pay the resulting demands in the event of failure of the Company to meet the aforesaid export obligation. The actual amount of liability as may arise on this account, if any, will be payable with applicable imposts.

b) Guarantee given by the Company's Bank to:
Punjab Pollution Control Board, Ludhiana, Punjab, Rs. 10.00 lacs (Previous year Rs. 5.00 lacs), for which the Company is contingently liable in the event of Bank Guarantee being enforced by the concerned authority.

c) The Company has filed an application for OTS against the appeals orders of learned Asstt. Excise and Taxation Commissioner for the years 2013-14, 2014-15 and 2015-16 challenging the additional demand of VAT for Rs. 51,07,506.00, Rs. 37,61,206.00 and Rs. 21,22,533.00 respectively on account of rejection of ITC claim on purchases, and in the event of the OTS case being finally decided against the Company, it is contingently liable for the balance amount of demand, which shall be payable with applicable imposts.

d) The Company has filed three different appeals before Hon'ble Commissioner (Appeals), Central Excise Chandigarh against the orders of the Assistant Commissioner, Central Excise Division, Ropar for recovery of amount on account of interest and penalty imposed for wrongly taking credit of cenvat credit on invalid invoices for Rs. 2,02,838.00, Rs. 1,22,356.00 and Rs. 1,11,198.00 respectively. The appeal has been decided in favour of the department and as per order of the Hon'ble Commissioner (Appeals); the department is yet to provide the re-calculated amounts of interest and penalty imposed.

e) Mr. Mohan Singh (Ex-Employee) has filed a case against the company with Labour court for a claim of Rs. 2 Lakhs as compensation.



ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

31 In the opinion of Management of the Company, the current liabilities, current assets, loans & advances have a value in the ordinary course of business at least equal to that stated in the Balance Sheet. During the year, the Company has written off sundry balances of creditors and the net amount comes to the tune of Rs. 224.42 Lakhs and shown as exceptional items in the Statement of profit & loss.

32 Previous year's figures have been regrouped and reclassified, wherever necessary, to make them comparable with the current year's figures.

33. We draw attention that the Board has approved the scheme of Amalgamation of Rudra Ecovation Limited (formerly Himachal Fibre Limited) with Shiva Texfabs Limited on dated 23.12.2024 and filed with Department of Corporate Services, BSE Limited, Mumbai under regulation 37 of SEBI (listing obligation & Disclosure requirements), Regulation, 2015, by Rudra Ecovation Ltd. The NOC has already been received from BSE and SEBI on dated 25th August, 2025 and application for submission with NCLT is pending.

34 During 2017-2018 & 2018-2019 Allahabad Bank, Union Bank of India, State Bank of India Punjab National Bank and IDBI Bank Ltd. had assigned all the rights, title and interests in the entire outstanding dues owed by the company and guarantors together with all the securities and guarantees, in favour of Alchemist Asset Reconstruction Company Limited ("AARC") .The total amount, of all above five banks, assigned to AARC is Rs. 86010.52 lacs and this amount have been restructured by AARC in favour of company for total payment of Rs. 20939.25 lakhs ( including payment for NCD's). Hence Rs. 65071.27 lacs of liability is to be waived off on timely payment of dues as per re-structuring letters issued by "AARC.

35 **Disclosures on Employees Benefits:**

The disclosures required under Accounting Standard 15, "Employee Benefits" (Revised) notified in the Companies (Accounting Standards) Rules 2006, are given below:-

**1.1 Defined Contribution Plan**

Contribution to Defined Contribution Plan, during the year is as under:

| Employer's Contribution to: | **31.03.2025** | **31.03.2024** |
|---|---|---|
| - Provident Fund | Rs. 1.81 lakhs | Rs. 2.21 lakhs |
| - Family Pension Fund | Rs. 2.55 lakhs | Rs. 3.39 lakhs |

**1.2. Leave Encashment**

During the year the company has recognized an expense of Rs. 166.63 lakhs (Previous Year Rs.194.48 lakhs).

**1.3 Defined Benefit Plan**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



| Sr. No. | Particulars | Gratuity (Funded) (Rs. in lakhs) 31.03.2025 | Gratuity (Funded) (Rs. in lakhs) 31.03.2024 |
|---|---|---|---|
| a) | **Change in Present value of Defined Benefit Obligations.** | | |
| | Defined Benefit obligation as on 01.04.2024 | 453.70 | 453.70 |
| | Current Service Cost | 164.55 | 180.69 |
| | Past Service Cost | --- | --- |
| | Interest Cost | 32.89 | 27.70 |
| | Acturial (Gain/Loss) | (216.38) | (129.57) |
| | Benefits Paid | (3.71) | --- |
| | Defined Benefit Obligation as on 31.03.2025 | 431.05 | 453.70 |
| b) | **Change in fair value of Plan Assets** | | |
| | Fair Value of plan assets as on 01.04.2024 | --- | --- |
| | Expected Return on Plan Assets | --- | --- |
| | Acturial (Gain/Loss) | --- | --- |
| | Employer Contribution | --- | --- |
| | Benefits Paid | --- | --- |
| | Fair Value of Plan Assets as on 31.03.2025 | --- | --- |
| | Funded Status | --- | --- |
| | Actual Return on Plan Assets | --- | --- |
| c) | **Reconciliation of Fair Value of Assets and Obligations** | | |
| | Fair Value of Plan Assets as at 31st March, 2025 | | |
| | Present Value of Obligation as at 31st March, 2025 | 431.05 | 453.70 |
| | Net Assets/(Liability) recognized in Balance Sheet | (431.05) | (453.70) |
| d) | **Expenses recognized in Profit & Loss Account** | | |
| | Current Service Cost | 164.55 | 180.69 |
| | Past Service Cost | --- | --- |
| | Interest Cost | 32.89 | 27.70 |
| | Expected Return on Plan Assets | --- | --- |
| | Acturial (Gain)/ Loss | 216.38 | 129.57 |
| | Net Cost | (18.94) | (78.82) |
| e) | **Investment Details** | | |
| | L.I. C. Group Gratuity Policy | --- | --- |
| f) | **Actuarial Assumptions** | | |
| | Mortality Table | IALM(2012-14) | IALM(2012-14) |
| | Discount Rate (Per annum) | 6.99% | 7.25% |
| | Expected Rate of Return on Plan Assets (per annum) | 0.00 | 0.00 |
| | Rate of escalation in salary (per annum) | 5.50% | 5.50% |

Estimates of rate of escalation in salary's considered in actuarial valuation and other factors such as inflation, seniority, promotion and other relevant factors including supply and demand in the employment market have been taken into account. The above information is certified by the actuary.

36 Remuneration paid/payable to Directors Rs 14.19 lakhs (Previous Year Rs.16.27 lakhs).

37 During the year the Company has not provided any interest to parties registered under Micro, Small & Medium Enterprises.

ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS FRN 028520N LUDHIANA

38 **Foreign Exchange Expended & Earned:** (Rs. In Lakhs)

| | | 31.03.2025 | 31.03.2024 |
|---|---|---|---|
| i) | FOB Value of Imports | | |
| | - Raw Materials | - | 28.02 |
| | - Capital Goods & spare parts | 1840.84 | 101.25 |
| ii) | Expenditure in Foreign Currency | | - |
| iii) | FOB Value of Exports | - | - |

39 **Segment Reporting:**
The Company operates in only one business segment viz. "Textile" which is reportable segment in accordance with the requirement of Accounting Standard (AS-17) on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

40 Deferred Tax Liability/ (Asset) as on 31.03.2025 in respect of Depreciation is as follows:

| | | Amount (in lakhs) |
|---|---|---|
| Opening Balance | : | 388.87 |
| Provided during the year | : | (39.35) |
| Closing Balance | : | 349.52 |

41 Auditors Remuneration includes Audit fees of Rs. 0.30 lakhs (Previous year Rs. 0.30 lakhs).

42 Related party disclosures as per Accounting Standard-18 issued by The Institute of Chartered Accountants of India are as under:

**Enterprises under the same management as on 31.03.2025:**
-Shiva Spinfab Pvt. Ltd.
-Yogindera Worsted Limited
-Shiva Speciality Yarns Limited
-Rudra Ecovation Limited (Formerely Himachal Fibre Limited)
-Shiva Cottex Private Limited
-Shiva Texchem (Gujarat) Limited
-Jaiguruji Food Processors Private Limited
-Abrol Real Estate (OPC) Private Limited

**Key Management Persons:**
Mr. Jai Saroop Sharma (Whole Time Director)
Mr. Akhil Malhotra (Additional Director )
Ms. Reema (Company Secretary)
Mr. Hardeep Singh (CFO)

Relatives of KMP:
Mrs. Simmi Malhotra
Mrs. Niti Malhotra

**Related Party Disclosure of transactions:**

(Rs. in Lakhs)

| Particulars | Enterprises under the same Management | | Key Management Personnel & Relatives | |
|---|---|---|---|---|
| | 31.03.2025 | 31.03.2024 | 31.03.2025 | 31.03.2024 |
| Purchases & Job Work (incl. discounts, if any) | 4876.68 | 3801.15 | Nil | Nil |
| Sales | 6802.62 | 5626.24 | Nil | Nil |
| Rent Paid | 93.04 | 102.44 | Nil | Nil |
| Managerial Remuneration | Nil | Nil | 35.13 | 47.61 |



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43 The earnings per share (EPS) disclosed in the Statement of Profit and Loss has been calculated as under:-

| Basic Earnings per share | | |
|---|---|---|
| **Particulars** | **As at 31.03.2025** | **As at 31.03.2024** |
| Profit/ (Loss) attributable to Equity Shareholders (Rs. In lakhs) (A) | 1305.26 | 49589.83 |
| Earnings Attributable to Equity Shareholders | 1305.26 | 49589.83 |
| * Weighted average number of Equity Shares (Nos.) (B) | 30443263 | 25774572 |
| Earning per share (Basic) | 4.29 | 192.40 |
| Earning per share (Diluted) | 4.29 | 192.40 |

*Partly paid up Equity Shares has been converted into equivalent no of Shares

44 Corporate Social Responsibility

As per sec. 135 of the Co. Act 2013, a company meeting the applicability threshold, needs to spend at least @ 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the ACT.

(Rs. in Lakhs)

| PARTICULARS | | Year ended 31st March, 2025 |
|---|---|---|
| (a) | Amount required to be spent by the company during the year | 11.94 |
| (b) | Amount of expenditure incurred during the year | |
| | i). Construction/ acquisition of any asset | - |
| | ii).On purpose other than (i) above | 13.00 |
| (c) | Excess expenditure incurred brought forward from previous year | - |
| (d) | Excess expenditure incurred carried forward for next year | 1.06 |
| (e) | Amount recognized in statement of profit & loss | 13.00 |
| (f) | Shortfall for current year adjusted against excess expenditure incurred in earlier year | - |
| (g) | Excess expenditure carried forward to next year | 1.06 |
| (h) | Reason for short fall | - |
| (i) | Nature of CSR activity | Refer below |
| (j) | Detail of related party transaction | - |

Nature of CSR activities undertaken during the 2024-25

The Company's CSR initiatives during the year focused on key areas including education, health care, sanitation, women empowerment and rural development etc.

45 The accounts of the Company have been prepared on going concern basis.

46 The balance of parties is subject to confirmation and Bank balances are subject to Bank reconciliation statements.

47 ADDITIONAL REGULATORY DISCLOUSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013.

i) In respect of the Title deeds of the immovable properties:-Title deeds of all immovable properties are held in the name of the Company.

ii) As per the Company's accounting policy, Property, Plant and Equipment and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.



ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS FRN-0 LUDHIANA

iii) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMP's and other related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.

iv) The Company does not have any Intangible Assets under development.

v) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transaction (prohibition) Act, 1988 (45 to 1988) and the rules made there under.

vi) The company has a Working capital limit (fund based) of Rs. 700.00 lakhs from The Karur Vysya Bank. For the said facility, the Company has submitted Stock and debtors statement to the bank on monthly basis. The average difference between statements submitted and books of accounts is not material and this difference is mainly on account of valuation and provisions etc.

vii) The Company has not been declared as willful defaulter by any bank or financial institution or government ar any government authority.

viii) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year under review.

ix) The Company does not have any pending case related to registration or satisfaction of charges.

x) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961)

xi) The Company has not traded or invested in Crypto currency or virtual during the financial year.

xii) The Company has complied with the number of layers prescribed under clause (87) of the Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

xiii) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xiv) The Company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**For Anuj Gupta & Associates**
**Chartered Accountants**
FRN 036392N

**Anuj Gupta**
(Partner)
M.No. 527632

Place: Ludhiana
Date: 05.09.2025

**For and on behalf of the Board**

**Akhil Malhotra**
Director
DIN 00126240

**Jayswarup Sharma**
Whole Time Director
DIN 08915607

**Hardeep Singh**
CFO

**Reema**
CS

**Manjul Mittal & Associates**
**Chartered Accountants**
GSTIN:03ABCFM3460B1ZY

Annexure -B

**Independent Auditor's Limited Review Report on unaudited standalone financial results of Rudra Ecovation Limited for the quarter ended 30 September 2025 and year to date results for the period from 01 April 2025 to 30 September 2025 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**The Board of Directors of**
**Rudra Ecovation Limited**
**Formerly Himachal Fibers Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of **Rudra Ecovation Limited Formerly Himachal Fibres Limited** for the Quarter and year to date ended on **September 30, 2025**, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2013, as amended.

1. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down by the Indian Accounting Standard 34 "Interim Financial Reporting" [Ind AS 34") prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

2. We have conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of Company's personnel Responsible for financial and accounting maters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143 (10) of the Companies act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all the significant matters that might be identified in audit. Accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of standalone unaudited financial results read with notes thereon, prepared in accordance with applicable accounting standards (IND-AS) and other recognized accounting practices and Policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Emphasis of Matter**

We draw attention to Note 6 of the Statement, which describes that the Company has, pursuant to a special resolution passed at the Extraordinary General Meeting (EGM) of preference shareholders held on 25.08.2025 extended the redemption period of its 3,60,000 4% Non-Cumulative Redeemable Preference Shares amounting to ₹ 100/- each from 31.08.2025 to 31.08.2026 in accordance with the provisions of Sections 48 and 55 of the Companies Act, 2013. There has been no change in the rate of dividend or other terms and conditions of the preference shares except for the revised redemption schedule. Since these preference shares due for redemption within one year from the balance sheet date therefore these has been shown under other financial liabilities under the head current liabilities.

H.O.: 32, Green Enclave, Near Chanda Mama School, Near Ferozepur Road Octori Post, Barewal, Ludhiana-141001
B.O. 1st Floor, SCO-07, Sector-30D, Chandigarh-160030
Mobile No.+91-7888490455; email: manjul2978@gmail.com

Our conclusion is not modified in respect of this matter.

**For Manjul Mittal &Associates**
**Chartered Accountants**
**FRN 028039N**

**Manjul Mittal**
**Partner**
**M.No. 500559**

**Place: Ludhiana**
**Dated 13th Novemeber,2025**
**UDIN: 25500559BMLKMT3432**

**Rudra Ecovation Limited**
(Formerly Himachal Fibres Limited)
CIN: L43292HP1980PLC031020

**Balance Sheet as at 30th September,2025**

(All amount in Lakhs of Indian Rupees except stated otherwise)

| Particulars | Note No. | As at 30.09.2025 | | As at 31.03.2025 | |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| (a) Property, Plant and Equipment | 3 | 1,053.01 | | 1,112.88 | |
| (b) Capital Work in Progress | | - | | - | |
| (c) Right-of-use assets | | 5.80 | | 5.86 | |
| (d) Financial Assets | | | | | |
| (e) Investments | 4 | 9,627.37 | | 9,627.37 | |
| (f) Deferred tax assets (net) | | 262.16 | | 255.40 | |
| (g) Other non-current assets | 5 | 28.05 | 10,976.39 | 454.53 | 11,456.04 |
| **Current assets** | | | | | |
| (a) Inventories | 6 | 1,231.04 | | 981.54 | |
| (b) Financial Assets | | | | | |
| (i) Trade receivables | 7 | 132.03 | | 74.04 | |
| (ii) Cash and cash equivalents | 8 | 10.21 | | 11.52 | |
| (c) Current Tax Assets (Net) | 9 | 4.13 | | 2.80 | |
| (d) Other Current Assets | 10 | 154.76 | | 129.21 | |
| (e) Short Term Loans & Advances | | - | 1,532.17 | - | 1,199.11 |
| **Total Assets** | | | **12,508.56** | | **12,655.15** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| (a) Equity Share capital | 11 | 1,143.68 | | 1,143.68 | |
| (b) Other Equity | 12 | 8,322.60 | | 8,486.17 | |
| (c) Money received against sharewarrants | | 917.64 | 10,383.92 | 917.64 | 10,547.49 |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 13 | 78.71 | | 73.55 | |
| (ii) Other Long Term Liabilities | 14 | 322.25 | | 982.29 | |
| (b) Provisions | 15 | 22.20 | 423.16 | 20.28 | 1,076.12 |
| **Current liabilities** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | | - | | - | |
| (ii) Trade Payables | 16 | - | | - | |
| I. Dues to Micro and Small Enterprise (MSE) | | 0.92 | | - | |
| II. Other than MSE Dues | | 84.20 | | 70.38 | |
| (iii) Other financial liabilities | 17 | 986.43 | | 230.00 | |
| (b) Other current liabilities | 18 | 627.71 | | 728.94 | |
| (c) Provisions | 19 | 2.22 | 1,701.48 | 2.22 | 1,031.54 |
| **Total Equity and Liabilities** | | | **12,508.56** | | **12,655.15** |

For and on behalf of the Board of Directors of
**Rudra Ecovation Limited**

**Gian Chand Thakur**
(Whole Time Director)
DIN : 07006447

**Akhil Malhotra**
(Director)
DIN : 00126240

**Dated- 13.11.2025**
**Place- Ludhiana**

**Rudra Ecovation Limited**
(Formerly Himachal Fibres Limited)
CIN: L43292HP1980PLC031020

**Statement of Profit and Loss for the period ended 30th September,2025** *(Rs in Lakhs)*

(All amount in Lakhs of Indian Rupees, except share data and stated otherwise)

| Particulars | Note No. | For the period ended 30.09.2025 | For the Year ended 31.03.2025 |
|---|---|---|---|
| | (Rs. in Lakhs) | | |
| **REVENUE** | | | |
| Revenue from operations | 20 | 1,491.80 | 2,659.21 |
| Other Income | 21 | 38.30 | 76.03 |
| **Total Income** | | **1,530.09** | **2,735.24** |
| | | | |
| **EXPENSES** | | | |
| Cost of materials consumed | 22 | 988.62 | 1,662.33 |
| Changes in inventories of finished goods and work-in-progress | 23 | 98.24 | 117.28 |
| Employee benefits expense | 24 | 238.19 | 470.94 |
| Finance costs | 25 | 74.89 | 145.71 |
| Depreciation expense | 26 | 59.92 | 115.56 |
| Other expenses | 27 | 245.68 | 573.46 |
| **Total Expenses** | | **1,705.54** | **3,085.28** |
| **Profit/ - Loss before exceptional items and tax** | | (175.45) | (350.03) |
| Exceptional items-Expenses/(Income) | | - | - |
| **Profit/ - Loss before tax** | | (175.45) | (350.03) |
| Less: tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | (6.76) | (21.05) |
| **Profit/ - Loss for the period** | | **(168.69)** | **(328.98)** |
| Other Comprehensive Income | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurement of post-employment benefit Obligations | | 5.12 | 10.24 |
| Changes in fair value of FVOCI equity instruments | | - | 2.25 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | | |
| B (i) Items that will be reclassified to profit or loss | | | |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | | |
| **Total Comprehensive Income for the period** | | **(163.57)** | **(316.49)** |
| | | | |
| **Earnings per equity share:** | | | |
| (Nominal value of equity share - Rupee 1/-) | | | |
| Basic | | (0.14) | (0.30) |
| Diluted | | (0.14) | (0.30) |

For and on behalf of the Board of Directors of
**Rudra Ecovation Limited**

| | | |
|---|---|---|
| | **Gian Chand Thakur** | **Akhil Malhotra** |
| **Dated- 13.11.2025** | (Whole Time Director) | (Director) |
| **Place- Ludhiana** | DIN : 07006447 | DIN : 00126240 |

**Rudra Ecovation Limited**
(Formerly Himachal Fibres Limited)
CIN: L43292HP1980PLC031020

**CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMEBER '2025**
**(All amount in Lakhs of Indian Rupees except stated otherwise)**

| | PARTICULARS | AS AT 30.09.2025 (Un-audited) | AS AT 30.09.2024 (Un-audited) |
|---|---|---|---|
| A. | **CASH FLOW FROM/USED IN OPERATING ACTIVITIES** | | |
| | NET PROFIT BEFORE TAX | (170.33) | (192.17) |
| | **ADJUSTMENTS FOR:** | | |
| | DEPRECIATION | 59.92 | 57.58 |
| | MISCELLENOUS EXPENSES WRITTEN OFF | | |
| | INTEREST EXPENSES | 74.89 | 68.86 |
| | INTEREST INCOME | (0.74) | (3.88) |
| | **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | **(36.26)** | **(69.61)** |
| | ADJUSTMENTS FOR: | | |
| | (INCREASE)/DECREASE IN TRADE AND OTHER RECEIVABLES | 368.49 | (3.41) |
| | (INCREASE)/DECREASE IN INVENTORIES | (249.50) | (247.57) |
| | INCREASE/(DECREASE) IN TRADE PAYABLES AND OTHER LIABILITIES | 11.82 | 2,133.19 |
| | INCREASE /(DECREASE) IN LOANS & ADVANCES | (26.87) | (476.59) |
| | **CASH GENERATED FROM OPERATIONS** | **67.68** | **1,336.01** |
| | INCOME TAX PAID | - | - |
| | **NET CASH FROM/USED IN OPERATING ACTIVITIES** | **67.68** | **1,336.01** |
| B. | **CASH FLOW FROM/USED IN INVESTING ACTIVITIES** | | |
| | PURCHASE OF FIXED ASSETS | - | - |
| | PURCHASE OF INVESTMENTS | - | (8,120.55) |
| | INTEREST RECEIVED | 0.74 | 3.88 |
| | **NET CASH FROM/USED IN INVESTING ACTIVITIES** | **0.74** | **(8,116.67)** |
| C. | **CASH FLOW FROM/USED IN FINANCING ACTIVITIES** | | |
| | PROCEEDS FROM ISSUE OF SHARE WARRANTS | - | 709.05 |
| | (REPAYMENT) RECEIPT OF LONG TERM BORROWINGS | 5.16 | 68.78 |
| | CHANGES IN WORKING CAPITAL LOANS/SHORT TERM BORROWINGS | - | - |
| | INCREASE/(DECREASE) IN SHARE CAPITAL | - | 247.00 |
| | INCREASE/(DECREASE) IN OTHER EQUITY | - | 5,909.00 |
| | INTEREST PAID | (74.89) | (68.86) |
| | **NET CASH FROM/USED IN FINANCING ACTIVITIES** | **(69.73)** | **6,864.97** |
| | NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVLANTS | (1.31) | 84.31 |
| | OPENING CASH AND CASH EQUIVALENTS | 11.52 | 254.67 |
| | CLOSING CASH AND CASH EQUIVLALENTS | 10.21 | 338.98 |

**For and on behalf of the Board of Directors of**
**Rudra Ecovation Limited**

**Gian Chand Thakur**
**(Whole Time Director)**
**DIN : 07006447**

**Akhil Malhotra**
(Director)
DIN : 00126240

**Dated: 13.11.2025**
**Place : LUDHIANA**

## Rudra Ecovation Limited
## (Formerly Himachal Fibres Limited)

CIN: L43292HP1980PLC031020

*(Rs in Lakhs)*

(All amount in Lakhs of Indian Rupees, except share data and stated otherwise)

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30.09.2025

(Amount in Rs.)

| Note No. | Description of assets | Gross carrying amount | | | | Depreciation | | | | Net carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As at 01.04.2025 | Additions during the period | Disposal | As at 30.09.2025 | Opening accumulated depreciation | Depreciation for the year | Eliminated on disposal of assets | Closing accumulated depreciation | As at 30.09.2025 | As at 31.03.2025 |
| 3. | **Property, plant and equipment** | | | | | | | | | | |
| | **At Works** | | | | | | | | | | |
| | Freehold Land | 0.82 | - | - | 0.82 | - | - | - | - | 0.82 | 0.82 |
| | **Total** | **0.82** | **-** | **-** | **0.82** | **-** | **-** | **-** | **-** | **0.82** | **0.82** |
| | Buildings | 1,304.75 | - | - | 1,304.75 | 836.19 | 15.26 | - | 851.45 | 453.29 | 468.56 |
| | Plant and equipment | 3,931.89 | - | - | 3,931.89 | 3,294.24 | 44.45 | - | 3,338.69 | 593.20 | 637.65 |
| | Furniture and fixtures | 18.65 | - | - | 18.65 | 18.16 | - | - | 18.16 | 0.49 | 0.49 |
| | Vehicles | 35.69 | - | - | 35.69 | 34.43 | - | - | 34.43 | 1.26 | 1.26 |
| | Office equipments | 6.29 | - | - | 6.29 | 5.98 | - | - | 5.98 | 0.31 | 0.31 |
| | Computers | 9.24 | - | - | 9.24 | 8.78 | - | - | 8.78 | 0.46 | 0.46 |
| | Mobile Phones | 0.35 | - | - | 0.35 | 0.33 | - | - | 0.33 | 0.02 | 0.02 |
| | Electrical Fittings | 8.39 | - | - | 8.39 | 5.85 | 0.13 | - | 5.98 | 2.41 | 2.55 |
| | Weighing Machines | 0.85 | - | - | 0.85 | 0.65 | 0.02 | - | 0.67 | 0.19 | 0.21 |
| | Tubewell | 3.25 | - | - | 3.25 | 3.09 | - | - | 3.09 | 0.16 | 0.16 |
| | | | - | - | | | - | - | | | - |
| | **At Ludhiana Office** | | - | - | | | - | - | | | - |
| | Office equipments | 0.43 | - | - | 0.43 | 0.40 | - | - | 0.40 | 0.02 | 0.02 |
| | Computers | 5.80 | - | - | 5.80 | 5.51 | - | - | 5.51 | 0.29 | 0.29 |
| | Mobile Phones | 1.49 | - | - | 1.49 | 1.42 | - | - | 1.42 | 0.07 | 0.07 |
| | **Total** | **5,327.90** | **-** | **-** | **5,327.90** | **4,215.03** | **59.87** | **-** | **4,274.89** | **1,053.01** | **1,112.88** |
| | **Previous Year** | **5,243.78** | **84.13** | | **5,327.90** | **4,099.58** | **115.45** | | **4,215.03** | **1,112.88** | **1,144.20** |

Rudra Ecovation Limited
(Formerly Himachal Fibres Limited)
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30.09.2025

(Rs in Lakhs)

(All amount in Lakhs of Indian Rupees, except share data and stated otherwise)

| Note No. | Particulars | As at 30.09.2025 | | As at 31.03.2025 | |
|---|---|---|---|---|---|
| 4 | **Long Term Investments** | | | | |
| | Investment at fair value through other comprehensive income | No. of Shares | | No. of Shares | |
| | Shiva Texfabs Limited (Equity Shares of Rs.10/- each at price of Rs.213.75 Each Fully paid up) | 2339181 | 5001.17 | 2339181 | 5001.17 |
| | Shiva Texfabs Limited (Equity Shares of Rs.10/- each at price of Rs.213.75 Each Partly paid up) | 4701755 | 4626.20 | 4701755 | 4626.20 |
| | Total | | 9627.37 | | 9627.37 |
| 5 | **Other non-current assets** | | | | |
| | Capital Advances | | 6.40 | | 6.40 |
| | Security deposits | | 21.65 | | 21.65 |
| | **Trade receivables** | | | | |
| | -Unsecured, considered good : | | | | |
| | Less than 6 months | - | | - | |
| | 6 Months to 1 Year | - | | - | |
| | 1-2 Years | - | | - | |
| | 2-3 Years | - | | - | |
| | More than 3 Years | - | - | - | - |
| | -Doubtful | | | | |
| | Less: Allowance for Doubtful receivables | | - | | - |
| | Long Term Debtors | | - | | - |
| | Slow Moving Inventories | | - | | 426.47 |
| | Total | | 28.05 | | 454.53 |
| 6 | **Inventories** | | | | |
| | (Refer Note No.. 2 (h) for mode of valuation) | | | | |
| | Raw materials | | 40 | | 121.97 |
| | Work-in-progress | | 188 | | 72.50 |
| | Finished goods | | 699 | | 886.07 |
| | Stock-in-Trade | | 45.01 | | 53.25 |
| | Stores and spares | | 258.29 | | 256.21 |
| | | | 1,231 | | 1,406.01 |
| | Less: Slow Moving Inventories (Non Current) | | - | | 426.47 |
| | Total | | 1,231 | | 981.54 |
| 7 | **Trade receivables** | | | | |
| | Unsecured, considered good : | | | | |
| | Related Parties - Where Director is Director or Member | | | | |
| | (i) Undisputed Trade Receivable - Considered Good | | | | |
| | Less than 6 months | 67.59 | | 74.04 | |
| | 6 Months to 1 Year | 64.45 | | - | |
| | 1-2 Years | - | | | |
| | 2-3 Years | - | | | |
| | More than 3 Years | - | 132.03 | | 74.04 |
| | Other Parties | | | | |
| | (ii) Undisputed Trade Receivable - Considered Doubtful | | | | |
| | (iii) Disputed Trade Receivable - Considered Good | | | | |
| | (iv) Disputed Trade Receivable - Considered Doubtful | | | | |
| | Less: Provision for Doubtful Debts | | - | | |
| | Total | | 132.03 | | 74.04 |
| | Doubtful | | | | |
| | Less: Provision for Life Time Expected Credit Loss | | | | |
| | Others | | | | |
| | Total | | 132.03 | | 74.04 |
| | 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 member. | | | | |
| 8 | **Cash and cash equivalents** | | | | |
| | Balances with banks | | | | |
| | - in current/ cash credit accounts | | 7.11 | | 8.54 |
| | - in deposit accounts with maturity upto three months (pledged with banks towards margin against Bank guarantees) | | | | |
| | Cheque in Hand | | | | |
| | Cash in hand | | 3.10 | | 1.78 |
| | FDR A/C -HDFC BANK | | - | | 1.20 |
| | Total | | 10.21 | | 11.52 |
| 9 | **Current Tax Assets (Net)** | | | | |
| | TDS/ TCS Recoverable | | 4.13 | | 2.80 |
| | Total | | 4.13 | | 2.80 |
| 10 | **Other current assets** | | | | |
| | Leasehold Land - Pre-payment | | | | |

| | | | | | |
|---|---|---|---|---|---|
| | Advances to suppliers of goods and services | | | | |
| | Related Parties - Where Director is Director or Member | | | | |
| | Other Parties | | | | |
| | Other advances Recoverable in Cash or Kind | | 122.68 | | |
| | Prepaid Expenses | | 1.88 | | 44.55 |
| | GST Input (HP and Punjab) | | 1.09 | | 5.88 |
| | GST Refund Receivable | | 22.86 | | 4.19 |
| | GST Cash Ledger | | 3.47 | | 10.96 |
| | GST Receivables | | 2.81 | | 60.00 |
| | Total | | 0.01 | | 3.19 |
| | | | 154.76 | | 0.46 |
| | | | | | 128.21 |

Rudra Ecovation Limited
(Formerly Himachal Fibres Limited)
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30.09.2025

(All amount in Lakhs of Indian Rupees, except share data and stated otherwise) *(Rs in Lakhs)*

| Note No. | Particulars | As at 30.09.2025 | | As at 31.03.2025 | |
|---|---|---|---|---|---|
| 11 | Equity Share capital | | | | |
| | Authorised | | | | |
| | Equity Shares | | | | |
| | - 17,50,00,000(PY 17,50,00,000) Equity Shares for Re. 1/- EACH | | 1,750.00 | | 1,750.00 |
| | Preference Shares | | | | |
| | - 1,65,000 16.5% Cumulative Redeemable Pref. Shares of Rs.100/- Each | | 165.00 | | 165.00 |
| | - 14,35,000 4% Non-Cumulative Redeemable Pref. Shares of Rs.100/- Each | | 1,435.00 | | 1,435.00 |
| | Total | | 3,350.00 | | 3,350.00 |
| | Issued, Subscribed & Paid Up Equity Shares | | | | |
| | - 11,43,68,000 (PY 8,62,50,000) Equity Shares for Re. 1/- Each Fully Paid up | | 1,143.68 | | 1,143.68 |
| | Total | | 1,143.68 | | 1,143.68 |

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 and amount at the beginning | 8,62,50,000.00 | 8,62,50,000.00 | 8,62,50,000.00 | 8,62,50,000.00 |
| Add : Shares issued | 2,81,18,000.00 | 2,81,18,000.00 | 2,81,18,000.00 | 2,81,18,000.00 |
| Add: Share Warrants | | | | |
| Share Application Money | | - | | - |
| Number of shares and amount at the end | | 11,43,68,000.00 | | 11,43,68,000.00 |

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 | % held | Number of shares | % held |
|---|---|---|---|---|
| Brijeshwari Textiles P Ltd | 70,41,500.00 | 6.16% | 70,41,50,000 | 6.16% |
| Mr. Akhil Malhotra | 5,00,000.00 | 0.44% | 5,00,000 | 0.44% |
| DPG Textile Limited | - | 0.00% | - | 0.00% |
| India Equity Fund 1 | 58,70,000.00 | 5.13% | 58,70,000 | 5.13% |
| Saket Agrawal | 45,00,000.00 | 3.93% | 45,00,000 | 3.93% |
| | 1,79,11,500.00 | 15.66% | 1,79,11,500 | 15.66% |
| Promoters' share holding* | | | | |
| 1) Indian | | | | |
| a) Individual | | | | |
| Akhil Malhotra | 5,00,000.00 | 0.44% | 5,00,000.00 | 0.44% |
| Mayank Malhotra | 20,00,000.00 | 1.75% | 20,00,000.00 | 1.75% |
| Simmi Malhotra | 50,00,000.00 | 4.37% | 50,00,000.00 | 4.37% |
| Sub Total | 75,00,000.00 | 6.56% | 75,00,000.00 | 6.56% |
| b) Other body Corporates | | | | |
| Brijeshwari Textiles Private Limited | 70,41,500.00 | 6.16% | 70,41,500.00 | 6.16% |
| Shiva Spintab Private Limited | 12,50,000.00 | 1.09% | 12,50,000.00 | 1.09% |
| Sub Total | 82,91,500.00 | 7.25% | 82,91,500.00 | 7.25% |
| Total Shareholding of Promoter and Promotor Group | 1,57,91,500.00 | 13.81% | 1,57,91,500.00 | 13.81% |

| | | | | | |
|---|---|---|---|---|---|
| 12 | Other Equity | | | | |
| | Redeemable Preference Shares | | | | |

The Company has issued 12,00,000 (PY 12,00,000) 4% Non-Cumulative Redemable 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. | | | | |
| | Equity Component of Preference Shares 4% Non-Cumulative Redeemable Preference Shares | | | | |
| | Equity Component of Preference Shares | | 921.00 | | 921.00 |
| | | | 921.00 | | 921.00 |
| | Retained Earnings | | | | |
| | Balance at the begining of the year | (3,065) | | (2,742.43) | |
| | Add: Profit/(Loss) for the period | (164) | | (316.49) | |
| | Less: Income Tax for Earlier Years | - | | (6.57) | |

| | | | | |
|---|---|---|---|---|
| Balance at the end of the Year | (3,239) | (3,239) | (3,046.60) | (3,046.60) |
| **Capital redemption reserve** | | | | |
| As at the commencement of the year | 314.69 | | 314.69 | |
| Add: receipt during the year | | 314.69 | | 314.69 |
| **Capital reserves** | | | | |
| As at the commencement of the year | 1,777.93 | | 1,777.93 | |
| Add: receipt during the year | | 1,777.93 | | 1,777.93 |
| **Share Premium Account** | | | | |
| As at the commencement of the year | 8,035.46 | | 520.00 | |
| Add: Additions during the period | - | 8,035.46 | 7,515.46 | 8,035.46 |
| **Equity Component of Unsecured Loan** | 502.38 | | 502.38 | |
| Less : Redeemed During The Year | | 502.38 | | 502.38 |
| **Total** | | **8,332.60** | | **8,486.17** |

**Rudra Ecovation Limited**
**(Formerly Himachal Fibres Limited)**
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30.09.2025**

*(Rs in Lakhs)*

| Note No. | Particulars | As at 30.09.2025 | | As at 31.03.2025 | |
|---|---|---|---|---|---|
| 13 | **Borrowings** | | | | |
| | **Unsecured Loans** | | | | |
| | Inter Corporate Deposits | 525.00 | | 525.00 | |
| | | 525.00 | | 525.00 | |
| | Less: Equity Portion of Unsecured Loan | (502.38) | | (502.38) | |
| | Add: NPV of Interest on Unsecured Loans | 56.10 | 78.71 | 50.93 | 73.55 |
| | **Total** | | **78.71** | | **73.55** |
| 14 | **Other Long Term Liabilities** | | | | |
| | Redeemable Portion of 4% Non-Cummulative Pref Share Capital | | 322.25 | | 982.29 |
| | **Total** | | **322** | | **982.29** |
| 15 | **Provisions** | | | | |
| | Provision for Employee Benefits | | | | |
| | Gratuity | | 22.20 | | 20.28 |
| | **Total** | | **22.20** | | **20.28** |
| 16 | **Trade payables** | | | | |
| | Creditors other than Micro and small Enterprises | | | | |
| | (i) MSME | | | | |
| | - Less than 1 year | 0.92 | | - | |
| | - 1-2 years | - | | - | |
| | - 2-3 years | - | | - | |
| | - More than 3 year | - | 0.92 | - | - |
| | (ii) Others | | | | |
| | - Less than 1 year | 68.57 | | 63.85 | |
| | - 1-2 years | 15.42 | | 6.23 | |
| | - 2-3 years | 0.17 | | 0.20 | |
| | - More than 3 year | 0.05 | 84.20 | 0.11 | 70.38 |
| | (iii) Disputed Dues - MSME | | - | | - |
| | (iv) Disputed Dues -Others | | - | | - |
| | **Total** | | **85.13** | | **70.38** |
| 17 | **Other financial liabilities** | | | | |
| | Others | | | | |
| | -Employees Dues | | 193.56 | | 166.70 |
| | Other Expenses Payable | | 69.15 | | 63.29 |
| | Redeemable Portion of 4% Non-Cummulative Pref Share Capital | | 729.74 | | - |
| | Unclaimed Preference Shares Redemption | | 10.00 | | - |
| | Total | | **996.43** | | **230.00** |
| 18 | **Other current liabilities** | | | | |
| | Statutory Dues Payable | | | | |
| | - Provident Fund | | 9.45 | | 5.15 |
| | - Employee State Insurance (ESI) | | 2.99 | | 1.51 |
| | - GST Payable RCM | | 0.24 | | 0.57 |
| | - Tax Deducted at Source | | 33.41 | | 31.31 |
| | - Service Tax | | 0.04 | | 0.04 |
| | - Work Contract Tax | | 1.36 | | 1.36 |
| | Advance From Customers | | 533.66 | | 650.06 |
| | Other Liabilities Payable | | 4.53 | | - |
| | Cheques Issued But Not Presented | | 41.85 | | 28.94 |
| | Unclaimed Preference Shares Redemption | | - | | 10.00 |
| | Total | | **627.71** | | **728.94** |
| 19 | **Provisions** | | | | |
| | Provision for employee benefits | | | | |
| | - Gratuity | | 2.22 | | 2.22 |
| | Income Tax Payable | | - | | - |
| | Total | | **2.22** | | **2.22** |

Rudra Ecovation Limited
(Formerly Himachal Fibres Limited)
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30.09.2025

(Rs in Lakhs)
(All amount in Lakhs of Indian Rupees, except share data and stated otherwise)

| Note No. | Particulars | AS AT 30.09.2025 | AS AT 31.03.2025 |
|---|---|---|---|
| 20 | **Revenue from operations** | | |
| | Sale of products | 1,445.97 | 2,387.29 |
| | | 1,445.97 | 2,387.29 |
| | Other operating revenues | 30.85 | 63.78 |
| | Sale of waste | 12.90 | 206.75 |
| | Sale of Stores & Spares | 2.07 | 1.40 |
| | Sale of scrap | 45.83 | 271.92 |
| | | 1,492 | 2,659 |
| | Total | | |
| 21 | **Other income** | 0.74 | 4.63 |
| | Interest income | 0.10 | 0.10 |
| | Misc income | 13.28 | 59.29 |
| | Other Non -operative Income | 14.12 | 64.02 |
| | | 24.18 | 12.01 |
| | Sundry Balances/Amount Written Back | 38.30 | 76.03 |
| | Total | | |
| 22 | **Cost of materials consumed** | | |
| | Cost of raw materials consumed | 121.97 | 108.96 |
| | Opening stock of raw materials | 906.81 | 1,675.34 |
| | Add: purchase of raw materials | 1,028.79 | 1,784.31 |
| | Less : | 40.16 | 121.97 |
| | Closing stock of raw materials | 988.62 | 1,662.33 |
| | Cost of materials consumed - Total | | |
| 23 | **Changes in inventories of finished goods and work-in-progress** | | |
| | Closing inventories | 726.07 | 937.74 |
| | Finished goods | 16.19 | 20.59 |
| | Saleable waste | 188.33 | 72.50 |
| | Work-in-progress | 932.59 | 1,030.83 |
| | Stock-in-trade | | |
| | Opening inventories | 937.74 | 1,060.04 |
| | Finished goods | 20.59 | 16.07 |
| | Saleable waste | 72.50 | 71.99 |
| | Work-in-progress | 1,030.83 | 1,148.11 |
| | Stock-in-trade | | |
| | (-) Increase/ decrease in inventories of finished goods and work-in-progress | 209.67 | 122.30 |
| | Finished goods | 4.40 | (4.52) |
| | Saleable waste | (115.83) | (0.51) |
| | Work-in-progress | 98.24 | 117.28 |
| | Stock-in-trade | | |
| | Changes in inventories of finished goods and work-in-progress - total | | |

Rudra Ecovation Limited
(Formerly Himachal Fibres Limited)
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30.09.2025

(Rs in Lakhs)
(All amount in Lakhs of Indian Rupees, except share data and stated otherwise)

| Note No. | Particulars | AS AT 30.09.2025 | AS AT 31.03.2025 |
|---|---|---|---|
| 24 | **Employee benefits expense** | 206.59 | 410.36 |
| | Salaries and wages | 3.24 | 6.42 |
| | Contribution to provident fund and other funds | 7.04 | 14.06 |
| | Gratuity expense | 2.60 | 2.64 |
| | Staff welfare expenses | 9.58 | 19.17 |
| | Bonus | 9.14 | 18.27 |
| | Compensated Absences | 238.19 | 470.94 |
| | Total | | |
| 25 | **Finance costs** | - | 8.48 |
| | Interest | 69.70 | 128.12 |
| | Interest on Preference Shares | 5.16 | 9.03 |
| | NPV of interest on Unsecured Loans | 0.03 | 0.07 |
| | Bank Charges | 74.89 | 145.71 |
| | Total | | |
| 26 | **Depreciation Expense** | 59.87 | 115.45 |
| | Depreciation on property, plant and equipment (refer Note No. 3) | 0.05 | 0.11 |
| | Depreciation of Right of use assets (refer Note No. 3A) | 59.92 | 115.56 |
| | Total | | |

| | | | | | |
|---|---|---|---|---|---|
| 27 | **Other expenses** | | | | |
| | **Manufacturing Expenses** | | | | |
| | Power & Electricity | | 143.57 | | 233.26 |
| | Fuel Consumed | | 0.13 | | 0.02 |
| | Oil & Lubricants | | 11.10 | | 11.50 |
| | Store & Spares Consumed | | 25.86 | | 46.60 |
| | Freight & Cartage Inwards | | 0.12 | | 1.56 |
| | Machinery Repair | | 17.37 | | 13.43 |
| | | | **198.15** | | **306.37** |
| | **Administrative Expenses** | | | | |
| | Remuneration of Auditors | | 1.00 | | 2.00 |
| | (a) As Auditor | | 0.41 | | 1.76 |
| | Board Meeting Expenses | | 0.82 | | 0.64 |
| | Computer Repair & Expenses | | 5.36 | | 22.17 |
| | Fees Subscription & Taxes | | - | | 0.05 |
| | Festival/ Worship Expenses | | 0.07 | | 0.05 |
| | General & Miscellaneous Expenses | | 1.44 | | 1.90 |
| | Insurance Expenses | | 8.77 | | 117.62 |
| | Legal & professional Expenses | | 0.65 | | 0.59 |
| | Printing & Stationary Expenses | | 0.21 | | |
| | Charity & Donation | | 0.96 | | 1.85 |
| | Rent Expenses | | 0.01 | | - |
| | Rounding off | | 5.15 | | 6.40 |
| | Repair & Maintenance | | 1.76 | | 0.78 |
| | Telephone, Fax, Internet & Postage Expenses | | 0.13 | | 0.59 |
| | Travelling Expenses | | - | | 1.44 |
| | Business Promotion Expenses | | - | | 0.12 |
| | Director's Travelling | | 3.89 | | 7.63 |
| | Vehicle Running & Maintenance | | **30.41** | | **185.60** |
| | | | | | 7.45 |
| | **Selling Expenses** | | 2.56 | | 64.01 |
| | Advertisement Expenses | | 0.53 | | 29.39 |
| | Exhibition Expenses | | 13.67 | | 0.65 |
| | Freight & Cartage Outwards | | 0.36 | | **101.50** |
| | Packing & Handling Expenses | | 17.11 | | **573.46** |
| | | | **245.68** | | |
| | **Total** | | | | |

**Anuj Gupta & Associates**
(CHARTERED ACCOUNTANTS)

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## INDEPENDENT AUDITOR'S REPORT

**TO**

**THE MEMBERS OF**

**SHIVA TEXFABS LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **SHIVA TEXFABS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st August, 2025, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

**Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined the following key audit matters to communicate in our report:

The Company has suffered loss of Rs. 925.62 lakhs during the period ended on 31st August, 2025.

In earlier years, the lenders had classified the accounts of the Company as non performing assets and Indian Bank (earlier Allahabad Bank) , Union Bank of India, State Bank of India, Punjab National Bank and IDBI Bank Ltd. had assigned all the rights, title and interests in the entire outstanding dues owed by the company and guarantors together with all the securities and guarantees, in favour of Alchemist Asset Reconstruction Company Limited ("AARC") acting in its capacity as trustee of Alchemist-XVI Trust. The total amount, of all above five banks, assigned to AARC is Rs. 20939.25 lakhs (including payment for NCD's) against the total outstanding amount Rs. 86010.52 lakhs. Hence Rs. 65071.27 lakhs of lisbility is to be waived off on timely payment of dues as per re-structuring letters issued by "AARC".

We draw attention that the Board has approved the scheme of Amalgamation of Rudra Ecovation Limited (formerly Himachal Fibre Limited) with Shiva Texfabs Limited on dated 23.12.2024 and filed with Department of Corporate Services, BSE Limited, Mumbai under regulation 37 of SEBI (listing obligation & Disclosure requirements), Regulation, 2015, by Rudra Ecovation Ltd. The NOC has already been received from BSE and SEBI on dated 25th August, 2025 and application for Merger & Amalgamation has been filed with NCLT.

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



**Information Other than the Financial Statements and Auditor's Report Thereon**
The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders' Information, 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**
Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, the matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the company's financial reporting process.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is



higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *subject to Key Audit Matters*, the aforesaid standalone 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 31st August, 2025, and its loss and its cash flows for the period ended on that date.





**Report on Other Legal and Regulatory Requirements**
As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of the Section 143 of the Act, we give in the Annexure A statement on the matters specified in Paragraphs 3 & 4 of the order, to the extent applicable.

**As required by Section 143 (3) of the Act, we report that:**
(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from Directors as on August 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on August 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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 financial statements as referred to in Note No. 30 of Notes to the financial statements.

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

(iii) The Company is not required to transfer any amount to the Investor Education and Protection Fund.

(iv) (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"),



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with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

(v) The company has not declared or paid any dividend during the period in contravention other provisions of section 123 of the Companies Act, 2013.

(vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instances of the audit trail feature being tempered with.

For Anuj Gupta & Associates
Chartered Accountants
FRN 036392N




Anuj Gupta
(Partner)
M.No.527632

Place: Ludhiana.
Date: 10/11/2025

## SHIVA TEXFABS LIMITED
## ANNEXURE OF THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our independent Auditors Report to the members of the Company on the financial statements for the period ended 31st August 2025, we report that:

i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B)The Company has no intangible assets for the period ended August 31, 2025.

(b) The Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification. Further, in our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and nature of its business.

(c) According to the information and explanations given to us and based on our examination of the records of the company, title deeds of immovable properties, disclosed in the financial statements, are held in the name of the company.

(d) The Company has not re-valued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the period.

(e) No proceedings have been initiated during the year or are pending against the Company as at August 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

ii. (a) According to the information and explanations given to us, the physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification of inventories carried out by the management.

(b) The company has been sanctioned working capital limit in excess of Rs. 500 Lakhs, in aggregate from bank on the basis of security of current assets. According to the information and explanations given to us and on the basis of records examined by us, the monthly statements comprising stock, creditor's statement and book debts statements and other information filed by the Company with such bank are not having material differences with the unaudited books of accounts of the Company of the respective quarters.

iii. During the period, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given , investments made , guarantees and securities given.

v. According to the information and explanation given to us, the Company has not accepted deposits from public within the meaning of provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal

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or Reserve Bank of India or any other court or any other Tribunal against the Company on this matter.

vi. According to the information and explanations given to us, maintenance of cost records has been specified by the Central Government under sub-section (1) of the section 148 of the Companies Act, 2013. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii.(a) According to the information and explanations given to us and records of the Company examined by us, during the period the Company has generally been irregular in depositing undisputed statutory dues like provident fund, ESI, tax deducted at source, tax collected at source, Goods & Service tax etc. with the appropriate authorities.

In our opinion the following undisputed statutory dues were outstanding at the end for the period of more than six months from the date they become due are as follows:

| **Nature of Dues** | **Outstanding Amount (in Lakhs)** |
|---|---|
| ESI | 51.21 |
| Provident Fund | 5.88 |
| Employees Welfare Fund | 52.04 |
| Tax Deducted/Collected at Source | 108.88 |
| Punjab Development Tax | 22.20 |

(b) According to the information and explanation given to us, the disputed statutory dues that have not been deposited on account of matters pending before the appellate authorities in respect of Excise duty, Value added tax etc. are given below:

| **Name of statute** | **Nature of dues** | **Amount under dispute not yet deposited (Rs. lacs)** | **Periods to which the amount relates** | **Forum where the dispute is pending** |
|---|---|---|---|---|
| Punjab Vat Act, 2005 | Demand against rejection of VAT ITC claim | Rs.51.07 lakhs<br>Rs.37.61 lakhs<br>Rs.21.22 lakhs | 2013-2014<br>2014-2015<br>2015-2016 | The Company has filed an application for OTS |
| Central Excise Act, 1944 | Interest & Penalty | Amount not yet provided by the deptt. | 2008-2011 | As per order of Commissioner (Appeals), Central Excise, Chandigarh |

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to information and explanations given to us, the company's bankers namely Allahabad Bank, Union Bank of India, State Bank of India, Punjab National Bank and IDBI Bank Ltd. had assigned all the rights, title and interests in the entire outstanding



ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

dues owed by the company and guarantors together with all the securities and guarantees in favour of Alchemist Asset Reconstruction Company Limited ("AARC") acting in its capacity as trustee of Alchemist-XVI Trust. During the period under audit, there was overdue amount to Alchemist Asset Reconstruction Company Limited ("AARC") as on 31.08.2025.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been utilized for long term purposes.

(e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the period on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a)In our opinion and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments).

(b) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the period.

xi. (a) Based upon the audit procedures performed and according to information and explanation given to us, no fraud on or by the company has been noticed or reported during the period covered by our audit.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the period and up to the date of this report.

(c) As represented to us by the management, Company has not received any whistle blower complaints during the period and up to the date of this report.

xii. In our Opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with Section 177 & 188 of the Companies Act, 2013 and detail of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. The Company has an internal audit system commensurate with the size and nature of its business. However, the Internal Auditors have not issued any formal report.

xv. According to the information and explanations given to us and based on our examination of the records of the company, company has not entered into any non-cash transactions with directors or persons connected with them.

xvi. (a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934(2 of 1934) and accordingly, the provisions of clause 3 (xvi)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial period covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the Statutory Auditors of the Company.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) On the basis of examination of records of the company, there was no unspent amount towards Corporate Social Responsibility (CSR) requiring a transfer to Fund specified in schedule VII to the Companies Act in compliance with second proviso to sun section (s) of section 135 of said act.

(b) The Company's CSR initiatives during the period focused on key areas including education, health care, sanitation, women empowerment and rural development etc.

For Anuj Gupta & Associates
Chartered Accountants
FRN:036392N

Anuj Gupta
(Partner)
M.No.527632

Place: Ludhiana.
Date: 10/11/2025

## ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

**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 **SHIVA TEXFABS LIMITED** ("the Company") as of August 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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.

ANUJ GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN-036392N
LUDHIANA

## 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, 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 August 31, 2025, 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 Anuj Gupta & Associates
Chartered Accountants
FRN 036392N




Anuj Gupta
(Partner)
M.No.527632

Place: Ludhiana
Date: 10/11/2025

**SHIVA TEXFABS LIMITED**
**BALANCE SHEET AS AT 31.08.2025**

| PARTICULARS | NOTE NO. | | FOR THE PERIOD ENDED ON 31.08.2025 (AMOUNT IN RS.) | | FOR THE YEAR ENDED ON 31.03.2025 (AMOUNT IN RS.) |
|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | |
| **(1) SHAREHOLDER'S FUNDS** | | | | | |
| (A) SHARE CAPITAL | 1 | 326,157,413 | | 326,157,413 | |
| (B) RESERVES AND SURPLUS | 2 | 1,760,695,586 | | 1,853,257,164 | |
| **TOTAL OF SHARE HOLDER'S FUND (A)** | | | 2,086,852,999 | | 2,179,414,577 |
| **(2) NON-CURRENT LIABILITIES** | | | | | |
| (A) LONG-TERM BORROWINGS | 3 | 223,388,105 | | 223,388,105 | |
| (B) DEFERRED TAX LAIBILITIES (NET) | | 35,746,132 | | 34,952,262 | |
| (C) OTHER LONG TERM LIABILITIES | 4 | - | | - | |
| (D) LONG TERM PROVISIONS | 5 | 40,701,404 | | 40,701,404.00 | |
| **TOTAL OF NON CURRENT LIABILITIES (B)** | | | 299,835,641 | | 299,041,771 |
| **(3) CURRENT LIABILITIES** | | | | | |
| (A) SHORT-TERM BORROWINGS | 6 | 68,248,057 | | 63,805,352 | |
| (B) TRADE PAYABLES | 7 | 869,818,146 | | 744,002,187 | |
| (C) OTHER CURRENT LIABILITIES | 8 | 1,145,479,874 | | 1,148,918,758 | |
| (D) SHORT-TERM PROVISIONS | 9 | 2,404,074 | | 2,404,074 | |
| **TOTAL OF CURRENT LIABILITIES (C)** | | | 2,085,950,151 | | 1,959,130,371 |
| **GRAND TOTAL ( A + B + C)** | | | **4,472,638,791** | | **4,437,586,719** |
| **ASSETS** | | | | | |
| **(1) NON-CURRENT ASSETS** | | | | | |
| FIXED ASSETS | | | | | |
| TANGIBLE ASSETS | 10 | 1,674,355,168 | | 1,746,481,165 | |
| CAPITAL WORK-IN-PROGRESS | | 657,083,345 | | 564,801,338 | |
| NON CURRENT INVESTMENTS | 11 | 59,836,281 | | 59,836,281 | |
| LONG TERM LOANS AND ADVANCES | 12 | 62,977,754 | | 66,253,153 | |
| OTHER NON-CURRENT ASSETS | 13 | 79,734,284 | | 79,719,284 | |
| **TOTAL OF NON CURRENT ASSETS (A)** | | | 2,533,986,832 | | 2,517,091,221 |
| **(2) CURRENT ASSETS** | | | | | |
| INVENTORIES | 14 | 949,363,574 | | 903,858,647 | |
| TRADE RECEIVABLES | 15 | 814,497,501 | | 855,985,285 | |
| CASH AND CASH EQUIVALENTS | 16 | 9,784,727 | | 12,005,686 | |
| SHORT-TERM LOANS AND ADVANCES | 17 | 160,998,518 | | 145,038,241 | |
| OTHER CURRENT ASSETS | 18 | 4,007,639 | | 3,607,639 | |
| **TOTAL OF CURRENT ASSETS (B)** | | | 1,938,651,959 | | 1,920,495,498 |
| **GRAND TOTAL ( A + B)** | | | **4,472,638,791** | | **4,437,586,719** |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT ARE INTEGRAL PART OF THE FINANCIAL STATEMENT.

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**FOR ANUJ GUPTA & ASSOCIATES**
**CHARTERED ACCOUNTANTS**
**FIRM REG.NO. 036392N**

**ANUJ GUPTA**
**(PARTNER)**
**M.NO. 527632**

ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS FRN-036392N LUDHIANA

**PLACE: LUDHIANA**
**DATE :** 10/11/2025

UDIN-25527632BMGZWZ4117

**FOR AND ON BEHALF OF THE BOARD**

AKHIL MALHOTRA
**DIRECTOR**
DIN-00126240

Hardeep Singh
CFO

JAYSWARUP SHARMA
**WHOLE TIME DIRECTOR**
DIN 08915607

Reema
CS

**SHIVA TEXFABS LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31.08.2025**

| PARTICULARS | NOTE NO. | | FOR THE PERIOD ENDED ON 31.08.2025 (AMOUNT IN RS.) | | FOR THE YEAR ENDED ON 31.03.2025 (AMOUNT IN RS.) |
|---|---|---|---|---|---|
| **I REVENUES:** | | | | | |
| REVENUE FROM OPERATIONS | 19 | | 1,282,844,080 | | 4,136,539,333 |
| OTHER INCOME | 20 | | 30,032,826 | | 106,190,727 |
| **TOTAL INCOME** | | | **1,312,876,907** | | **4,242,730,060** |
| **II EXPENSES:** | | | | | |
| COST OF MATERIALS CONSUMED | 21 | | 850,234,527 | | 2,710,481,143 |
| MANUFACTURING EXPENSES | 22 | | 359,319,984 | | 1,093,245,425 |
| CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE | 23 | | 10,705,638 | | (203,234,811) |
| EMPLOYEE BENEFIT EXPENSE | 24 | | 62,675,077 | | 160,946,961 |
| FINANCIAL COSTS | 25 | | 6,560,147 | | 25,645,705 |
| DEPRECIATION AND AMORTIZATION EXPENSE | | | 73,303,466 | | 162985821.64 |
| OTHER EXPENSES | 26 | | 52,437,695 | | 188,510,814 |
| **TOTAL EXPENSES** | | | **1,415,236,535** | | **4,138,581,059** |
| **III. PROFIT BEFORE EXCEPTIONAL EXTRAORDINARY ITEMS AND TAX (I-II)** | | | (102,359,628) | | 104,149,001 |
| **IV.** EXCEPTIONAL ITEMS | | | 10,591,920 | | 22,442,086 |
| **V. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (III-IV)** | | | (91,767,708) | | 126,591,087 |
| **VI.** EXTRAORDINARY ITEMS | | | | | - |
| **VII PROFIT BEFORE TAX (V-VI)** | | | **(91,767,708)** | | **126,591,087** |
| **VIII. TAX EXPENSE:** | | | | | |
| (1) CURRENT TAX | | | | | - |
| (2) DEFERRED TAX | | | 793,869.94 | | 3,934,990.00 |
| **IX. PROFIT AFTER TAX** | | | (92,561,578) | | 130,526,077 |
| **X. EARNING PER EQUITY SHARE:** | | | | | |
| BASIC | | | (3.04) | | 4.29 |
| DILUTED | | | (3.04) | | 4.29 |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT ARE INTEGRAL PART OF THE FINANCIAL STATEMENT.

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

**FOR ANUJ GUPTA & ASSOCIATES**
**CHARTERED ACCOUNTANTS**
**FIRM REG.NO. 036392N**

**ANUJ GUPTA**
**(PARTNER)**
**M.NO. 527632**

ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS FRN-036392N LUDHIANA

**PLACE: LUDHIANA**
**DATE :** 10/11/2025

AKHIL MALHOTRA
**DIRECTOR**
DIN 09126240

Harpreet Singh
CFO

**FOR AND ON BEHALF OF THE BOARD**

JAYSWARUP SHARMA
**WHOLE TIME DIRECTOR**
DIN 08915607

Reema
CS

**SHIVA TEXFABS LIMITED, LUDHIANA**

**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31.08.2025**

Amount in Rs.

| PARTICULARS | 31.08.2025 | 31.03.2025 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| **Net Profit before tax extraordinary items** | **(91767708)** | **126,591,087** |
| **Adjustment for:** | | |
| Depriciation | 73303466 | 162,985,822 |
| Interest Expenditure | 6165550 | 24,849,780 |
| Interest Income | | |
| Profit / Loss on Sale of Fixed Assets | | |
| Proviosn for Gratuity to Workers | 0 | (2,264,952) |
| Misc. Expenditure written off | 0 | - |
| **Operating Profit before Working Capital changes** | **(12298692)** | **312,161,736** |
| **Adjustment for:** | | |
| (Increase) / Decrease in Inventories | (45504927) | (144,195,544) |
| (Increase) / Decrease in Trade Receivables | 41487784 | (187,256,754) |
| Increase / Decrease in Loans & Advances | (13099881) | (3,903,301) |
| Increase / Decrease in Trade Payable and Other Liabilities | 122377075 | 420,598,782 |
| Increase / Decrease in Working Capital Requirement | 4442705 | (652,688) |
| Increase / Decrease in Short Term Provisions | | |
| **Cash Generated from Operations (A)** | **97404064** | **396,752,231** |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (1177468) | (265,848,188) |
| C.I.P | (92282007) | (521,204,988) |
| Sale / Purchase of Investments | | |
| Sale of Fixed Assets | | |
| Interest Received | | |
| **Net Cash used in Investing Activities (B)** | **(93459475)** | **(787,053,176)** |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings (Net) | 0 | (543,274,297) |
| Increase / Repayment of Unsecured Loans | 0 | (505,299,939) |
| Increase in Capital Reserve | 0 | - |
| Increase in Share Capital | 0 | 68,411,693 |
| Increase in Share Premium | 0 | 1,394,099,824 |
| Receipt of Share Application Money | | |
| Payment of Interest | (6165550) | (24,849,780) |
| **Net Cash from Financing Activities (C)** | **(6165550)** | **389,087,500** |
| Net Increase/ Decrease in Cash & Cash Equivalent (A)+(B)+(C ) = (D) | **(2220961)** | **(1,213,445)** |
| Opening Balance of Cash & Cash Equivalent | 12005688 | 13,219,133.00 |
| Closing Balance of Cash & Cash Equivalent | 9784727 | 12,005,688 |

AKHIL MALHOTRA
**DIRECTOR**
DIN 00126240

JAYSWARUP SHARMA
**WHOLETIME DIRECTOR**
DIN 08915607

Harpreet Singh
CFO

Reema
CS

**PLACE : LUDHIANA**
**DATE :**

We have examined the attached Cah Flow statement of Shiva Texfabs Limited for the period ende August 31,2025. The statement has been prepared by the Company in accordance with the requirement of the AS- 3 and is based on and derived from the audited accounts of the Company for the period ended August 2025

FOR ANUJ GUPTA & ASSOCIATES
Chartered Accountants

**FRN 036392N**

**PLACE : LUDHIANA**
**DATE :** 10/11/2025

ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS FRN-036392N LUDHIANA

ANUJ GUPTA
**(PARTNER)**
**M.NO. 527632**

**SHIVA TEXFABS LIMITED**
**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.08.2025**

| PARTICULARS | | AMOUNT (IN RS.) AS AT 31.08.2025 | | AMOUNT (IN RS.) AS AT 31.03.2025 |
|---|---|---|---|---|
| **SHARE CAPITAL** | | | | **Note -1** |
| **AUTHORISED SHARE CAPITAL** | | | | |
| 3,55,00,000 ( PREVIOUS YEAR 2,90,00,000) EQUITY SHARES OF RS.10 EACH | | 355,000,000 | | 355,000,000 |
| **TOTAL** | | **355,000,000** | | **355,000,000** |
| **ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL** | | | | |
| 3,51,54,689 ( PREVIOUS YEAR 2,57,74,572) EQUITY SHARES OF RS.10 EACH | | 326,157,413 | | 326,157,413 |
| LESS: CALLS UNPAID (4701755 NO OF EQUITY SHARES @ RS. 6.90) | | | | - |
| **TOTAL** | | **326,157,413** | | **326157413** |

**(A) DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARES IN THE COMPANY #**

| NAME OF THE SHAREHOLDERS | % | 31.08.2025 NO. OF SHARES | % | 31.03.2025 NO. OF SHARES |
|---|---|---|---|---|
| RUDRA ECOSPIN RECYCLERS LTD.(FORMERLY SHIVA SPIN-N-KNIT LTD.) | 43.66 | 15,347,248 | 43.66 | 15,347,248 |
| Rudra Ecovation Limited (2339181 Equity Shares Fully Paid Up) (4701755 Equity Shares Partly Paid Up) | 20.03 | 7,040,936 | 20.03 | 7,040,936 |
| AKHIL MALHOTRA | 18.92 | 6,651,896 | 18.92 | 6,651,896 |
| SHIVA SPINFAB PRIVATE LIMITED | 15.37 | 5,404,991 | 15.37 | 5,404,991 |

**PROMOTER'S SHARE HOLDING**

| | | | | |
|---|---|---|---|---|
| **1) INDIAN** | | | | |
| **a) INDIVIDUAL** | | | | |
| AKHIL MALHOTRA | 18.92 | 6,651,896 | 18.92 | 6,651,896 |
| SIMMI MALHOTRA | 0.67 | 235,620 | 0.67 | 235,620 |
| MAYANK MALHOTRA | 0.05 | 18,000 | 0.05 | 18,000 |
| **b) OTHER BODY CORPORATES** | | | | |
| YOGINDERA WORSTERED LTD | 0.20 | 71,428 | 0.20 | 71,428 |
| SHIVA TEXCHAM(GUJRAT) PVT.LTD | 0.55 | 195,000 | 0.55 | 195,000 |
| SHIVA SPINFABS PVT LTD. | 15.37 | 5,404,991 | 15.37 | 5,404,991 |
| Rudra Ecovation Limited | 20.03 | 7,040,936 | 20.03 | 7,040,936 |
| RUDRA ECOSPIN RECYCLERS LTD.(FORMERLY SHIVA SPIN-N-KNIT LTD.) | 43.66 | 15,347,248 | 43.66 | 15,347,248 |

**(B) RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF PERIOD**

| EQUITY SHARES (EACH OF FACE VALUE RS. 10.00 ) | 31.08.2025 NO. OF SHARES | 31.08.2025 RS. | 31.03.2025 NO. OF SHARES | 31.03.2025 RS. |
|---|---|---|---|---|
| AT THE BEGINNING OF THE YEAR | 35,154,689 | 351,546,890 | 25,774,572 | 257,745,720 |
| ADD: ISSUED DURING THE PERIOD | - | (25,389,477) | 9,380,117 | 68,411,693 |
| OUTSTANDING AT THE END OF THE PERIOD | **35,154,689** | **326,157,413** | **35,154,689** | **326,157,413** |

| **RESERVE & SURPLUS** | | | | **Note -2** |
|---|---|---|---|---|
| **CAPITAL RESERVE** | | | | |
| OPENING BALANCE | 2,165,600,487 | | 2,165,600,487 | |
| ADD: DURING THE PERIOD | | 2165600487 | | 2,165,600,487 |
| **GENERAL RESERVE** | | | | |
| OPENING BALANCE | 70,023,449 | 70,023,449 | 70,023,449 | |
| ADD: DURING THE PERIOD | | | | 70,023,449 |
| **PROFIT & LOSS ACCOUNT** | | | | |
| OPENING BALANCE (PROFIT / (LOSS)) | (3,701,899,863) | | (3,832,425,940) | |
| ADD: PROFIT / (LOSS) DURING THE PERIOD | (92561578) | | 130526077 | |
| | (3794461440) | | (3701899863) | |
| ADD: PREVIOUS YEAR DEPRICIATION ADJUSTMENT | - | (3,794,461,440) | - | (3,701,899,863) |
| **SHARE PREMIUM ACCOUNT** | | | | |
| OPENING BALANCE | 3,319,533,091 | | 1,925,433,267 | |
| ADD: ADDITIONS DURING THE PERIOD | | | 1,394,099,824 | |
| LESS: PREMIUM ON UNPAID CALLS (4701755 NO OF EQUITY SHARES) | | | - | |
| CLOSING BALANCE | | 3,319,533,091 | | 3,319,533,091 |
| **TOTAL** | | **1,760,695,586** | | **1,853,257,164** |



**SHIVA TEXFABS LIMITED**
**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.08.2025**

| PARTICULARS | | AMOUNT (IN RS.) AS AT 31.08.2025 | | AMOUNT (IN RS.) AS AT 31.03.2025 |
|---|---|---|---|---|
| **LONG TERM BORROWING** | | | | **Note -3** |
| **SECURED LOANS** | | | | |
| **TERM LOANS (SEE NOTE BELOW)** | | | | |
| ALCHEMIST ASSET RECONSTRUCTION CO. LTD. - XVI TRUST | | 810,804,451 | | 853,804,451 |
| LIFE INSURANCE CORPN. OF INDIA LOAN A/C | | 33,064,378.00 | | 33,064,378.00 |
| | | 843,868,829 | | 886,868,829 |
| LESS: INSTALMENTS DUE WITHIN 12 MONTHS | | 810,804,451 | | 853,804,451 |
| | | **33,064,378** | | **33,064,378** |

DURING THE YEAR 2017-18, ALLAHABAD BANK (NOW INDIAN BANK), UNION BANK OF INDIA AND STATE BANK OF INDIA AND DURING THE YEAR 2018-19, IDBI BANK LTD.AND PUNJAB NATIONAL BANK HAVE ASSIGNED ALL THE RIGHTS, TITLE AND INTERESTS IN THE ENTIRE OUTSTANDING DUES OWED BY THE COMPANY AND GUARANTORS, TOGETHER WITH ALL THE SECURITIES AND GUARANTEES, IN FAVOUR OF ALCHEMIST ASSET RECONSTRUCTION COMPANY LIMITED ("AARC")ACTING IN ITS CAPACITY AS TRUSTEE OF ALCHEMIST-XVI TRUST VIDE DIFFERENT ASSIGNMENT AGREEMENTS DATED 13.12.2017, 28.02.2018, 26.03.2018, 08.05.2018 AND 23.08.2018 RESPECTIVELY.
THE REVISED REPAYMENT SCHEDULE FOR THE DEBT ACQUIRED BY AARC IS AS FOLLOWS:

| DUE DATE OF INSTALMENTS | AMOUNT-RS |
|---|---|
| ON OR BEFORE 20.09.2023 | 204,990,000 |
| ON OR BEFORE 20.03.2024 | 204,480,000 |
| ON OR BEFORE 20.09.2024 | 204,060,000 |
| ON OR BEFORE 20.03.2025 | 203,500,000 |
| ON OR BEFORE 20.09.2025 | 240,960,000 |
| ON OR BEFORE 20.03.2026 | 312,300,000 |

**A) TERM LOANS** ARE SECURED AGAINST FIRST CHARGE ON ENTIRE FIXED ASSETS OF THE COMPANY ON PARI PASSU BASIS INCLUDING EQUITABLE MORTGAGE OF THE FREEHOLD RIGHTS ON FACTORY LAND AND ACRES WITH A COVERED AREA OF ABOUT 55140 SQ.YARDS SITUATED AT VILL.IRAAQ,MACHHIWARA ROAD,MACHHIWARA,DISTT.LUDHIANA AND LEASEHOLD RIGHTS ON FACTORY LAND & BUILDING MEASURING 71.19 ACRES WITH A COVERED AREA OF ABOUT 206750 SQ.YARDS SITUATED AT VILL.BHATTIA, MACHHIWARA ROAD, MACHHIWARA, DISTT.LUDHIANA.

**B)** THESE TERM LOANS ARE FURTHER COLLATERALLY SECURED BY SECOND CHARGE ON ENTIRE CURRENT ASSETS OF THE COMPANY ON PARI PASSU BASIS.

**C)** THESE TERM LOANS ARE FURTHER SECURED BY EQUITABLE MORTGAGE OF UPPER GROUND FLOOR PORTION OF MULTY STOREYED COMPLEX AT CITY TOWER MODEL TOWN LUDHIANA,MSG.48.71 SQ.YARDS (WASIKA NO.14114 DT.11.03.2002) ON PARI PASSU BASIS IN THE NAME OF SH.AKHIL MALHOTRA.

**D)** THESE ARE FURTHER SECURED BY PERSONAL GURANTEE OF SH.AKHIL MALHOTRA, SH.MAYANK MALHOTRA AND THIRD PARTY GURANTEE OF SMT.SIMMI MALHOTRA & CORPORATE GUARANTEE OF BALMUKHI TEXTILES PRIVATE LTD. AND BRIJESTWARI TEXTILES PVT LTD.

**E)** PLEDGE OF ENTIRE PROMOTER SHAREHOLDING & OTHER( NO OF SHARES-10237754) ON PARI PASSU BASIS.

**F)**EM OF FARM HOUSE MEASURING 1691 SQ YARDS AT CARLTON WOODS,AYALI KALAN,LUDHIANA(WASIKA NO.15836 )ON PARI PASSU BASIS.

**G)** EM OF FARM HOUSE MEASURING 1251 SQ YARDS AT CARLTON WOODS, AYALI KALAN, LUDHIANA (WASIKA NO. 19504) WITH AARC.

**H)** EM OF FARM HOUSE MEASURING 1210 SQ YARDS AT CARLTON OODS, AYALI KALAN, LUDHIANA (WASIKA NO. 3350) ON PARI PASSU BASIS.



**SHIVA TEXFABS LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.08.2025**

| PARTICULARS | | AMOUNT (IN RS.) AS AT 31.08.2025 | | AMOUNT (IN RS.) AS AT 31.03.2025 |
|---|---|---|---|---|
| **UNSECURED LOANS** | | | | |
| **FROM PROMOTERS/DIRECTORS/ICDs** | | | | |
| SH. AKHIL MALHOTRA | | 15,601,266 | | 15,601,266 |
| SHIVA SPIN FAB PVT. LTD. | | 105,322,461 | | 105,322,461 |
| BALMUKHI TEXTILES PVT. LTD. | | 59,400,000 | | 59,400,000 |
| RUDRA ECOSPIN RECYCLERS LTD.(FORMERLY SHIVA SPIN-N-KNIT LTD.) | | 10,000,000 | | 10,000,000 |
| | | **190,323,727** | | **190323727** |
| **TOTAL** | | **223,388,105** | | **223,388,105** |

| PARTICULARS | | AMOUNT (IN RS.) AS AT 31.08.2025 | | AMOUNT (IN RS.) AS AT 31.03.2025 |
|---|---|---|---|---|
| **OTHER LONG TERM LIABILITIES** | | | | **Note -4** |
| CREDITORS AGAINST CAPITAL GOODS | | - | | - |
| **TOTAL** | | | | |

| | | | | |
|---|---|---|---|---|
| **LONG TERM PROVISIONS** | | | | **Note -5** |
| PROVISION FOR GRATUITY | | 40,701,404 | | 40,701,404 |
| **TOTAL** | | **40,701,404** | | **40,701,404** |

| | | | | |
|---|---|---|---|---|
| **SHORT TERM BORROWINGS** | | | | **Note -6** |
| KARUR VYASYA BANK | | 68,248,057 | | 63,805,352 |
| **TOTAL** | | **68,248,057** | | **63,805,352** |

**(A) WORKING CAPITAL LIMITS** ARE SECURED AGAINST FIRST CHARGE ON ENTIRE CURRENT ASSETS OF THE COMPANY.

**(B)** THESE ARE FURTHER SECURED BY SECOND CHARGE ON ENTIRE FIXED ASSETS OF THE COMPANY.

**(C)** THESE ARE FURTHER SECURED BY EQUITABLE MORTGAGE OF UPPER GROUND FLOOR PORTION OF MULTY STOREYED COMPLEX AT CITY TOWER MODEL TOWN LUDHIANA,MSG.48.71 SQ.YARDS (WASIKA NO.14114 DT.11.03.2002)IN THE NAME OF SH.AKHIL MALHOTRA ON PARI PASSU BASIS.

**(D)** THESE ARE FURTHER SECURED BY PERSONAL GURANTEE OF SH.AKHIL MALHOTRA, SH.MAYANK MALHOTRA AND THIRD PARTY GURANTEE OF SMT.SIMMI MALHOTRA & CORPORATE GUARANTEE OF BALMUKHI TEXTILES PRIVATE LIMITED AND BRIJESTWARI TEXTILES PVT LIMITED.

**E)** PLEDGE OF ENTIRE PROMOTER SHAREHOLDING & OTHERS( NO OF SHARES-10237754)

**F)**EM OF FARM HOUSE MEASURING 1691 SQ YARDS AT CARLTON WOODS,AYALI KALAN,LUDHIANA.(WASIKA NO.15836)ON PARI PASSU BASIS.

**G)**EM OF FARM HOUSE MEASURING 1210 SQ YARDS AT CARLTON OODS, AYALI KALAN, LUDHIANA(WASIKA NO. 3350)ON PARI PASSU BASIS.

| PARTICULARS | | AMOUNT (IN RS.) AS AT 31.08.2025 | | AMOUNT (IN RS.) AS AT 31.03.2025 |
|---|---|---|---|---|
| **TRADE PAYABLES** | | | | **Note -7** |
| OUTSTANDING DUES OF: | | | | |
| RELATED PARTIES | | | | |
| (I) MSME | | 185,419,571 | | 207,391,748 |
| (II) OTHERS | | | | |
| - LESS THAN 1 YEAR | | 527,082,772 | | 441,483,743 |
| - 1-2 YEARS | | 91,161,401 | | 35,255,889 |
| - 2-3 YEARS | | 47,267,006 | | 41,586,866 |
| - MORE THAN 3 YEAR | | 18,887,394 | | 18,283,941 |
| (III) DISPUTED DUES - MSME | | | | |
| (IV) DISPUTED DUES -Others | | | | |
| **TOTAL** | | **869,818,146** | | **744,002,187** |

| | | | | |
|---|---|---|---|---|
| **OTHER CURRENT LIABILITIES** | | | | **Note -8** |
| ADVANCE FROM CUSTOMERS | | 17,922,432 | | 2,710,217 |
| EXPENSES & OTHER PAYABLE | | 316,752,991 | | 292,404,090 |
| TERM LOANS INSTALLMENTS (REPAYABLE WITHIN 12 MONTHS) | | 810,804,451 | | 853,804,451 |
| **TOTAL** | | **1,145,479,874** | | **1,148,918,758** |

| | | | | |
|---|---|---|---|---|
| **SHORT TERM PROVISIONS** | | | | **Note -9** |
| PROVISION FOR GRATUITY | | 2,404,074 | | 2,404,074 |
| **TOTAL** | | **2,404,074** | | **2,404,074** |



SHIVA TEXFABS LIMITED,LUDHIANA

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.08.2025

NOTE-10

| PARTICULARS | | | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | AS AT 01.04.2024 | ADDITIONS DURING THE PERIOD | SOLD/TRF. DURING THE PERIOD | AS AT 31.08.2025 | AS AT 01.04.2024 | FOR THE PERIOD | Depreciation Adjusted | AS AT 31.08.2025 | AS AT 31.08.2025 | AS AT 31.03.2025 |
| SPINNING UNITS, FIBRE UNIT & DYEING UNIT | | | | | | | | | | | | |
| LAND | | | 319,093,166 | | | 319,093,166 | - | - | | - | 319,093,166 | 319,093,166 |
| BUILDING | | | 1,231,701,238 | | | 1,231,701,238 | 641,313,177 | 15,822,618 | | 657,135,795 | 574,565,443 | 590,388,061 |
| FURNITURE & FIXTURE | | | 16,778,244 | 22,000 | | 16,800,244 | 14,171,391 | 135,150 | | 14,306,541 | 2,493,703 | 2,606,853 |
| PLANT & MACHINERY | | | | | | | | | | | | |
| MACHINERY | | | 3,265,027,326 | 652,356 | | 3,265,679,682 | 2,935,354,078 | 16,105,282 | - | 2,951,459,359 | 314,220,323 | 329,673,248 |
| ELECTRIC FITING | | | 78,810,133 | 85,600 | | 78,895,733 | 74,869,425 | 3,078 | | 74,872,703 | 4,023,030 | 3,940,506 |
| ELECTRICALS / 66 KVA SUB STATION | | | 67,398,674 | | | 67,398,674 | 64,209,287 | 5,014 | | 64,214,300 | 3,184,374 | 3,189,387 |
| E.T.P | | | 52,955,696 | | | 52,955,696 | 50,307,912 | - | | 50,307,912 | 2,647,784 | 2,647,784 |
| MISC.FIXED ASSETS | | | 27,121,127 | | | 27,121,127 | 24,863,320 | 93,526 | | 24,956,846 | 2,164,281 | 2,257,807 |
| CAR | | | 23,720,508 | | | 23,720,508 | 22,521,571 | - | - | 22,521,571 | 1,198,937 | 1,198,937 |
| SCOOTER | | | 265,637 | | | 265,637 | 254,581 | - | | 254,581 | 11,056 | 11,056 |
| VEHICLES | | | 38,247,371 | | | 38,247,371 | 29,211,034 | 501,911 | | 29,712,946 | 8,456,425 | 9,036,337 |
| COMPUTER | | | 14,729,506 | 66,550 | | 14,796,056 | 12,750,204 | 190,903 | | 12,940,707 | 1,855,351 | 1,979,304 |
| POY UNIT, NON-WOVEN UNIT AND THREAD YARN UNIT | | | | | | | | | | | | |
| BUILDINGS | | | | | | | | | | | | |
| BUILDING (POY) | | | 205,384,385 | | | 205,384,385 | 151,450,967 | 2,127,458 | | 153,578,425 | 51,805,960 | 53,933,418 |
| BUILDING (NON WOVEN) | | | 151,121,657 | | | 151,121,657 | 106,015,966 | 1,825,834 | | 107,841,799 | 43,279,858 | 45,105,692 |
| BUILDING (SPG.THREAD YARN) | | | 146,743,104 | | | 146,743,104 | 104,806,609 | 1,656,857 | | 106,463,296 | 40,279,808 | 41,936,495 |
| BUILDING (New HO) | | | 363,420 | 282,909 | | 646,329 | 2,079 | 8,525 | | 10,604 | 635,525 | 361,341 |
| FURNITURE & FIXTURE | | | 1,493,671 | 37,874 | | 1,531,745 | 784,527 | 68,788 | | 853,615 | 678,130 | 709,044 |
| PLANT & MACHINERY | | | | | | | | | | | | |
| PLANT & MACHINERY (POY) | | | 754,013,320 | | | 754,013,320 | 519,567,549 | 30,559,672 | | 550,127,221 | 203,886,099 | 234,445,770 |
| PLANT & MACHINERY (NON WOVEN) | | | 657,469,317 | | | 657,469,317 | 623,323,050 | 240,845 | | 623,563,895 | 33,905,422 | 34,146,267 |
| PLANT & MACHINERY (SPG.THREAD YARN) | | | 806,369,764 | | | 806,369,764 | 753,767,514 | 2,175,234 | | 755,942,748 | 50,427,017 | 52,602,250 |
| E.T.P | | | 25,875,340 | | | 25,875,340 | 23,810,869 | - | | 23,810,869 | 2,064,471 | 2,064,471 |
| ELECTRICALS | | | 5,857,846 | | | 5,857,846 | 2,732,603 | 236,424 | | 2,969,027 | 2,888,819 | 3,125,243 |
| 66 KVA SUB STATION | | | 31,685,899 | | | 31,685,899 | 31,294,655 | - | | 31,294,655 | 391,244 | 391,244 |
| MISC.FIXED ASSETS | | | 3,376,106 | 15,600 | | 3,391,706 | 3,207,277 | 1,383 | | 3,208,660 | 183,046 | 168,829 |
| CAR | | | 18,214,955 | | | 18,214,955 | 7,009,017 | 1,425,942 | | 8,434,958 | 9,779,997 | 11,205,938 |
| COMPUTER | | | 2,041,529 | 15,000 | | 2,056,529 | 1,779,217 | 19,593 | | 1,798,809 | 257,719 | 262,312 |
| | TOTAL Rs. | | 7,945,859,541 | 1,177,468 | - | 7,947,037,010 | 6,199,378,376 | 73,313,466 | - | 6,272,691,842 | 1,674,345,168 | 1,746,481,165 |
| PREVIOUS YEAR | | | 7,680,011,353 | 265,848,187 | - | 7,945,859,542 | 6,036,392,554 | 162,985,822 | - | 6,199,378,376 | 1,746,481,165 | 1,643,618,799 |

ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS FRN-036398 LUDHIANA

**SHIVA TEXFABS LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.08.2025**

| PARTICULARS | | AMOUNT (IN RS.) AS AT 31.08.2025 | | AMOUNT (IN RS.) AS AT 31.03.2025 |
|---|---|---|---|---|
| **NON CURRENT INVESTMENTS** | | | | Note -11 |
| **UNQUOTED AT COST** | | | | |
| 2,99,750 EQUITY SHARES OF YOGINDERA WORSTED LTD. @ RS. 16/- EACH (FACE VALUE RS. 10/- EACH) | | 4,796,000 | | 4,796,000 |
| 4,00,000 EQUITY SHARES OF SHIVA SPECIALITY YARNS LTD. @ Rs. 10/- EACH (FACE VALUE RS. 10/- EACH) | | 4,000,000 | | 4,000,000 |
| 12,00,000 4% NON-CUMMULATIVE REDEEMABLE PREFERENCE SHARES OF RUDRA ECOVATION LTD. (FORMERLY HIMACHAL FIBRE LTD) | | 51040281 | | 51040281 |
| **TOTAL** | | **59,836,281** | | **59,836,281** |
| **LONG TERM LOANS & ADVANCES** | | | | Note -12 |
| ADVANCE TO SUPPLIERS -CAPTIAL GOODS | | 62,977,754 | | 66,253,153 |
| **TOTAL** | | **62,977,754** | | **66,253,153** |
| **OTHER NON CURRENT ASSETS** | | | | Note -13 |
| SECURITIES | | 79,734,284 | | 79,719,284 |
| **TOTAL** | | **79,734,284** | | **79,719,284** |
| **INVENTORY** | | | | Note -14 |
| RAW MATERIAL | | 165,488,222 | | 167,197,004 |
| WORK IN PROGRESS | | 81,181,415 | | 102,338,675 |
| FINISHED GOODS | | 539,723,057 | | 520,255,041 |
| STORES & SPARES | | 154,011,085 | | 96,091,738 |
| WASTES (USEABLE) | | 8,959,795 | | 17,976,189 |
| **TOTAL** | | **949,363,574** | | **903,858,647** |
| **TRADE RECEIVABLES** | | | | Note -15 |
| (UNSECURED AND CONSIDERED GOOD UNLESS OTHERWISE STATED) | | | | |
| RELATED PARTIES - WHERE DIRECTOR IS DIRECTOR OR MEMBER | | | | |
| (I) UNDISPUTED TRADE RECEIVABLE - CONSIDERED GOOD | | | | |
| LESS THAN 6 MONTHS | | 526,634,145 | | 410,357,162 |
| 6 MONTHS TO 1 YEAR | | 215,358,278 | | 124,781,078 |
| 1-2 YEARS | | 3,518,958 | | 250,351,957 |
| MORE THAN 2 YEARS | | 68,966,120 | | 70,495,088 |
| OTHER PARTIES | | | | |
| (II) UNDISPUTED TRADE RECEIVABLE - CONSIDERED DOUBTFUL | | | | |
| (III) DISPUTED TRADE RECEIVABLE - CONSIDERED GOOD | | | | |
| (IV) DISPUTED TRADE RECEIVABLE - CONSIDERED DOUBTFUL | | | | |
| LESS: PROVISION FOR DOUBTFUL DEBTS | | | | |
| **TOTAL** | | **814,497,501** | | **855,985,285** |
| **CASH AND BANK BALANCES** | | | | Note -16 |
| A) CASH IN HAND/IMPRESTS | | 9,646,982 | | 11,609,332 |
| **B) BALANCES WITH NOTED BANKS IN** | | | | |
| -CURRENT ACCOUNTS | | 137,745 | | 396,354 |
| **TOTAL** | | **9,784,727** | | **12,005,686** |
| **SHORT TERM LOAN & ADVANCES** | | | | Note -17 |
| ADVANCE RECOVERABLE IN CASH OR IN KIND | | 59,743,526 | | 55,028,900 |
| ADVANCES TO SUPPLIERS | | 101,254,992 | | 90,009,341 |
| **TOTAL** | | **160,998,518** | | **145,038,241** |
| **OTHER CURRENT ASSETS** | | | | Note -18 |
| FIXED DEPOSITS WITH BANKS (AGAINST BANK GUARANTEE) | | 1,400,000 | | 1,000,000 |
| FIXED DEPOSITS WITH BANKS (AGAINST MAHINDRA & MAHINDRA FIN) | | 2,000,000 | | 2,000,000 |
| FIXED DEPOSIT WITH BANKS (AGAINST LC) | | 607,639 | | 607,639 |
| **TOTAL** | | **4,007,639** | | **3,607,639** |



**SHIVA TEXFABS LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.08.2025**

| PARTICULARS | AMOUNT (IN RS.) AS AT 31.08.2025 | AMOUNT (IN RS.) AS AT 31.03.2025 |
|---|---|---|
| **REVENUES FROM OPERATION** | | Note -19 |
| DOMESTIC SALES | 1,282,844,080 | 4,136,539,333 |
| TOTAL | 1,282,844,080 | 4,136,539,333 |
| NET SALES | 1,282,844,080 | 4,136,539,333 |
| **TOTAL** | **1,282,844,080** | **4,136,539,333** |

| OTHER INCOME | | Note -20 |
|---|---|---|
| INTEREST RECEIVED | - | 160,242.00 |
| Exchange Rate Differences on Import | 2,815.30 | 1,408,738.00 |
| INSURANCE CLAIM RECEIVED | - | 6,919,564.00 |
| MISC.RECEIPTS | - | 579922 |
| RENT RECEIVED | 30,030,011 | 97,122,261 |
| **TOTAL** | **30,032,826** | **106,190,727** |

| COST OF RAW MATERIAL CONSUMED | | Note -21 |
|---|---|---|
| OPENING STOCK IN HAND | 167,197,004 | 244,873,813 |
| ADD: PURCHASES | **846,353,423** | **2,629,237,600** |
| ADD: LOADING & UNLOADING CHGS. AND FREIGHT | 2,172,322 | 3,566,733 |
| **TOTAL (A)** | **1,015,722,749** | **2,877,678,147** |
| **CLOSING STOCK** | 165,488,222 | 167,197,004 |
| **TOTAL (B)** | **165,488,222** | **167,197,004** |
| **RAW MATERIAL CONSUMED** | 850,234,527 | 2,710,481,143 |

| MANUFACTURING EXPENSES | | Note -22 |
|---|---|---|
| CONSUMABLE STORES | 6,376,146 | 58,738,773 |
| DYES & CHEMICALS | 22,190,798 | 71,414,676 |
| FUEL CHARGES | 33,919,583 | 96,734,990 |
| JOB WORK | - | 13,719,488 |
| OIL & LUBRICANTS | 2,668,600 | 3,191,386 |
| PACKING MATERIAL | 11,828,519 | 47,581,014 |
| POWER CONSUMED | 145,795,977 | 370,274,291 |
| WAGES | 136,540,360 | 431,590,806 |
| **TOTAL** | **359,319,984** | **1,093,245,425** |

| INCREASE/ (DECREASE IN STOCKS) | | Note -23 |
|---|---|---|
| **CLOSING STOCK** | | |
| FINISHED GOODS | 539,723,057 | 520,255,041 |
| WORK IN PROGRESS | 81,181,415 | 102,338,675 |
| WASTE | 8,959,795 | 17,976,189 |
| **TOTAL (A)** | **629,864,267** | **640,569,905** |
| **OPENING STOCK** | | |
| FINISHED GOODS | 520255041 | 337961241 |
| WORK IN PROGRESS | 102338675 | 91948476 |
| WASTE | 17976189 | 7425377 |
| **TOTAL (B)** | **640,569,905** | **437,335,094** |
| **INCREASE/ (DECREASE IN STOCK) (B-A)** | **10,705,638** | **(203,234,811)** |

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**SHIVA TEXFABS LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.08.2025**

| EMPLOYEE BENEFIT EXPENSES | | | | Note -24 |
|---|---|---|---|---|
| BONUS | | 5,455,140 | | 13,092,347 |
| CONT. TO EMPLOYEE STATE INSURANCE | | 1,331,367 | | 5,780,367 |
| CONT. TO PROVIDENT FUND | | 102,199 | | 436,150 |
| LABOUR REFRESHMENT EXPENSES | | 1,220,112 | | 3,084,099 |
| INCENTIVE TO STAFF & WORKERS | | - | | 3,016,611 |
| LEAVE WITH WAGES/SALARY | | 6,943,120 | | 16,663,507 |
| PROVISION FOR GRATUITY TO STAFF / WORKERS | | - | | (2,264,952) |
| PUNJAB LABOUR WELFARE FUND | | 62,260 | | 233,380 |
| SALARY | | 46,785,232 | | 117,960,056 |
| NATIONAL APPRENTICESHIP TRAINING SCHEME | | - | | 60,950 |
| STAFF REFRESHMENT EXPENSES | | 775,647 | | 2,884,446 |
| **TOTAL** | | **62,675,077** | | **160,946,961** |

| FINANCIAL EXPENSES | | | | Note -25 |
|---|---|---|---|---|
| BANK CHARGES | | 394,597 | | 795,925 |
| BANK INTEREST | | 4,085,510 | | 9,056,921 |
| INTEREST ON LONGTERM LOANS | | - | | 2,970,154 |
| INTEREST ON TDS / TCS | | - | | 839,198 |
| INTEREST TO OTHER & HIRE CHARGES | | 2,080,040 | | 11,983,507 |
| **TOTAL** | | **6,560,147** | | **25,645,705** |

| OTHER EXPENSES | | | | Note -26 |
|---|---|---|---|---|
| **ADMINISTRATIVE EXPENSES** | | | | |
| ADVERTISEMENT | | 60,940 | | 422,350 |
| ANNUAL MAINTENANCE CHARGES | | 136,950 | | 287,990 |
| AUDIT FEE | | 12,500 | | 30,000 |
| BUILDING REPAIRS | | 2,178,476 | | 7,044,200 |
| CAR / VEHICLE RUNNING & MAINT. EXPENSES | | 5,538,693 | | 20,005,957 |
| COMPUTER EXPENSES | | 142,120 | | 514,540 |
| CSR Expenditure | | - | | 1,300,000 |
| DIWALI EXP. | | 2,580 | | 30,597 |
| DONATION | | 67,012 | | 114,240 |
| ELECTRIC REPAIRS | | 1,915,924 | | 5,708,509 |
| ELECTRICITY & WATER CHARGES | | 739,724 | | 1,931,351 |
| EXHIBITION EXPENSES | | 594,737 | | 3,968,691 |
| FIRE FIGHTING EXPS. | | 28,535 | | 243,436 |
| HORTICULTURE/GARDENING EXPENSES | | 2,040 | | 18,510 |
| HOUSE KEEPING EXPENSES | | 104,281 | | 321,261 |
| INSURANCE EXPENSES | | 1,119,944 | | 1,766,839 |
| LEGAL CHARGES | | - | | 1,000,750 |
| LOCAL CONVEYANCE | | 113,501 | | 307,960 |
| MISC. EXPENSES | | 2,243,035 | | 1,417,997 |
| MISC. REPAIRS & MAINTAINENCE | | 1,491,030 | | 6,511,461 |
| NEWSPAPER BOOKS & PERIODICALS | | 7,330 | | 18,370 |
| PLANT & MACHINERY REPAIR | | 21,634,229 | | 68,203,142 |
| PRINTING & STATIONERY | | 238,166 | | 1,007,616 |
| PROFESSIONAL CHARGES | | 771,000 | | 4,920,650 |
| RENT, RATES & TAXES | | 9,118,416 | | 17,801,572 |
| SUBSCRIPTION | | 50,679 | | 80,039 |
| TELEPHONE, POSTAGE & COURIER | | 986,887 | | 1,924,502 |
| TRAVELLING EXPENSES | | 466,791 | | 6,834,209 |
| **TOTAL (A)** | | **49,765,521** | | **153,736,741** |
| **SELLING EXPENSES** | | | | |
| COMMISION | | 82,354 | | 4,738,311 |
| FREIGHT & OCTROI | | 2,257,858 | | 28,677,868 |
| SALES PROMOTION EXPENSES | | 331,961 | | 1,357,895 |
| **TOTAL (B)** | | **2,672,174** | | **34,774,074** |
| **GRAND TOTAL (A+B)** | | **52,437,695** | | **188,510,814** |

ANUJ GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
LUDHIANA

**SHIVA TEXFABS LIMITED, LUDHIANA'**

**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST AUGUST, 2025.**

**28 Corporate Information:**

Shiva Texfabs Limited is a Public Limited company incorporated in India under the provisions of Companies Act, 1956. The Company is engaged in manufacturing of Synthetic Yarns, Pet Flakes, Polyester Fiber, POY, Non Woven and Knitted Fabric etc.

**29 Significant Accounting Policies:**

**29.1 Basis of Preparation of Financial Statements:**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, and other relevant provisions of Companies Act, 2013. Financial Statements have been prepared in accordance with historical cost convention on accrual basis.

The company has rounded off the figures to nearest to rupees in financial statements as required by Schedule III to the Companies Act, 2013.

**29.2 Use of Estimates:**

The preparation of the financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements, and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates. Any changes in estimates are given effect to in the financial statements prospectively.

**29.3 Revenue Recognition:**

Revenue on sale of products is recognized at the point of dispatch of goods to the customers. Revenue in respect of exports made during the year is recognized on a post export basis.

**29.4 Inventories:**

Inventories of Raw Material, Consumables etc. and Finished Goods are valued at cost or net realizable value whichever is lower, cost being purchase price plus other expenses incurred in bringing the inventories to their present location and condition. Work in Process is valued at estimated cost upto the stage of production achieved, and waste is valued at net realizable value. In regard to slow moving/ degraded stocks of Finished Goods, inventory value is reduced and segregated from inventories and accounted accordingly. The quantity of inventories available in records of the Company is certified and valued by the Management.

**29.5 Depreciation:**

Depreciation on all the Tangible assets is provided as per following:-

a) Spinning Units, Fibre Unit and Dyeing Unit

Depreciation on Tangible Assets has been provided on Straight Line method based on the useful life of the asset in the manner prescribed in Schedule II to the Companies Act, 2013. On Plant and Machinery, depreciation has been provided on triple shift basis.

b) POY Unit, Non-Woven Unit and Thread Yarn Unit (including 66 KVA transformer)

Depreciation on Tangible Assets has been provided on written down value method based on the useful life of the asset in the manner prescribed in Schedule II to the Companies Act, 2013.Depreciation has been provided on Plant and Machinery on triple shift basis.

**29.6 Investments:**

Long-term investments are valued at cost less provisions, if any, for diminution in their value which is other than temporary in nature and current Investments are carried at lower of cost and fair value.



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**29.7 Property, Plant & Equipment, Intangible Asset and Capital work in progress:**

All Fixed Assets are stated at historical cost of acquisition including any cost attributable for bringing the assets in its working condition for its intended use less accumulated depreciation. Intangible assets acquired separately are measured on initial recognition at cost less accumulated amortization and accumulated impairment losses, if any. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as the Capital Work-in-progress.

**29.8 Expenditure incurred during construction period:**

In respect of new/expansion of units, the indirect expenditure incurred during construction period up to the date of the commencement of commercial production, is capitalized as part of value of various categories of fixed assets for an amount computed on proportionate basis.

Expenditure of capital nature are capitalized at cost, which comprises purchase price, levies and any other directly attributable cost of bringing the assets to its working condition for the intended use.

**29.9 Employee's Retirement Benefits:**

a) Short term Employees Benefits are recognized as expenses on an undiscounted basis in the profit and loss account of the year in which the related service is rendered.
b) Post Employment Benefits:
   - Defined Contribution Plans:
     Provident Fund: Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provision Act, 1952 and is charged to the statement of profit and loss.
   - Defined Benefit Plans:
     Gratuity: Provision for gratuity liability to employees is made on the basis of actuarial valuation as at the close of the year.
c) The actuarial gain/loss is recognized in the statement of profit and loss.

**29.10 Foreign Currency Transactions:**

a) Foreign currency transactions are recorded as initially recognized at the rate prevailing on the date of the transaction. Any Income or loss on account of exchange difference at the time of negotiation of export bills with the banks is recognized in the export sales account and in cases where they relate to acquisition of fixed assets are adjusted to the carrying cost of such assets.
b) Foreign Currency monetary items are reported using the closing rate. Exchange difference arising on the settlement of monetary items or on reporting the same at the closing rate as the balance sheet date are recognized as income or expense.
c) The premium or discount arising at the inception of forward exchange contracts is amortized as an expense or income over the life of the contract.
d) Exchange differences on the aforesaid forward exchange contracts are recognized in the statement of profit and loss in the reporting period in which the exchange rates change. Profit or loss arising on cancellation or renewal of such contracts is recognized as income or expense in the period in which such profit or loss arises.

**29.11 Accounting for Taxes on Income:**

**Current Taxes:**
Current Tax (if any) is determined as the amount of tax payable in respect of taxable income for period after considering tax allowances and exemptions.

**Deferred Taxes:**
Deferred Tax is recognized, subject to consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more accounting periods. Changes in deferred tax assets and liabilities between one Balance Sheet date and the next are recognized in the Statement of Profit and Loss in the year of change.
Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which these assets can be realized in future, whereas in case of



ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS FRN-030183 LUDHIANA

existence of unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization backed by convincing evidence. Deferred tax assets are reviewed at each Balance Sheet date.

**Minimum Alternate Tax:**
Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each Balance Sheet date & the carrying amount of the MAT credit asset is adjusted to the extent of there being convincing evidence to the effect that the Company will be able to take credit of MAT during the specified period.

**29.12 Impairment of Assets:**
The carrying amount of assets is reviewed at each Balance Sheet date. If there is any indication of impairment based on internal and external factors, an impairment loss to the extent that the carrying amount of an asset exceeds its recoverable amount, is recognized by the Company. The recoverable amount is the value of the asset, being greater of asset's net selling price and value in use.

**29.13 Earning per Share:**
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. In case when there is no Dilutive Potential Shares outstanding during the year, the Diluted Earnings Per share is same as Basic Earnings per share.

**29.14 Borrowing Costs:**
Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**30 Contingent Liabilities not provided for:**

a) The Company has executed Bonds in favour of Governmental Authorities for fulfilling the export obligation undertaken by the Company in accordance with the applicable statute. The Company is expected to meet the obligation over the stipulated years, and that the Company is contingently liable to pay the resulting demands in the event of failure of the Company to meet the aforesaid export obligation. The actual amount of liability as may arise on this account, if any, will be payable with applicable imposts.

b) Guarantee given by the Company's Bank to:
Punjab Pollution Control Board, Ludhiana, Punjab, Rs. 10.00 lacs (Previous year Rs. 5.00 lacs), for which the Company is contingently liable in the event of Bank Guarantee being enforced by the concerned authority.

c) The Company has filed an application for OTS against the appeals orders of learned Asstt. Excise and Taxation Commissioner for the years 2013-14, 2014-15 and 2015-16 challenging the additional demand of VAT for Rs. 51,07,506.00, Rs. 37,61,206.00 and Rs. 21,22,533.00 respectively on account of rejection of ITC claim on purchases, and in the event of the OTS case being finally decided against the Company, it is contingently liable for the balance amount of demand, which shall be payable with applicable imposts.

d) The Company has filed three different appeals before Hon'ble Commissioner (Appeals), Central Excise Chandigarh against the orders of the Assistant Commissioner, Central Excise Division, Ropar for recovery of amount on account of interest and penalty imposed for wrongly taking credit of cenvat credit on invalid invoices for Rs. 2,02,838.00, Rs. 1,22,356.00 and Rs. 1,11,198.00 respectively. The appeal has been decided in favour of the department and as per order of the Hon'ble Commissioner (Appeals); the department is yet to provide the re-calculated amounts of interest and penalty imposed.

e) Mr. Mohan Singh (Ex-Employee) has filed a case against the company with Labour court for a claim of Rs. 2 Lakhs as compensation.



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31 In the opinion of Management of the Company, the current liabilities, current assets, loans & advances have a value in the ordinary course of business at least equal to that stated in the Balance Sheet. During the period, the Company has written off sundry balances of creditors and the net amount comes to the tune of Rs. 105.92 Lakhs and shown as exceptional items in the Statement of profit & loss.

32 Previous year's figures have been regrouped and reclassified, wherever necessary, to make them comparable with the current year's figures.

33. We draw attention that the Board has approved the scheme of Amalgamation of Rudra Ecovation Limited (formerly Himachal Fibre Limited) with Shiva Texfabs Limited on dated 23.12.2024 and filed with Department of Corporate Services, BSE Limited, Mumbai under regulation 37 of SEBI (listing obligation & Disclosure requirements), Regulation, 2015, by Rudra Ecovation Ltd. The NOC has already been received from BSE and SEBI on dated 25th August, 2025 and application for Merger & Amalgamation has been filed with NCLT.

34 During 2017-2018 & 2018-2019 Allahabad Bank, Union Bank of India, State Bank of India Punjab National Bank and IDBI Bank Ltd. had assigned all the rights, title and interests in the entire outstanding dues owed by the company and guarantors together with all the securities and guarantees, in favour of Alchemist Asset Reconstruction Company Limited ("AARC") .The total amount, of all above five banks, assigned to AARC is Rs. 86010.52 lacs and this amount have been restructured by AARC in favour of company for total payment of Rs. 20939.25 lakhs ( including payment for NCD's). Hence Rs. 65071.27 lacs of liability is to be waived off on timely payment of dues as per re-structuring letters issued by "AARC.

35 **Disclosures on Employees Benefits:**

The disclosures required under Accounting Standard 15, "Employee Benefits" (Revised) notified in the Companies (Accounting Standards) Rules 2006, are given below:-

**1.1 Defined Contribution Plan**

Contribution to Defined Contribution Plan, during the year is as under:

| Employer's Contribution to: | **31.08.2025** | **31.03.2025** |
|---|---|---|
| - Provident Fund | Rs.0.52 lakhs | Rs. 1.81 lakhs |
| - Family Pension Fund | Rs. 0.73 lakhs | Rs. 2.55 lakhs |

**1.2. Leave Encashment**

During the period the company has recognized an expense of Rs.69.43 lakhs (Previous Year Rs.166.63 lakhs).

**1.3 Defined Benefit Plan**

The present value of Gratuity obligation based on actuarial valuation shall be made at the end of the year.

36 Remuneration paid/payable to Directors Rs 19.78 lakhs (Previous Year Rs.14.19 lakhs).

37 During the year the Company has not provided any interest to parties registered under Micro, Small & Medium Enterprises.

38 **Foreign Exchange Expended & Earned:** **(Rs. In Lakhs)**

| | | 31.08.2025 | 31.03.2025 |
|---|---|---|---|
| i) | FOB Value of Imports<br>- Raw Materials<br>- Capital Goods & spare parts | -<br>30.81 | -<br>1840.84 |
| ii) | Expenditure in Foreign Currency | - | - |
| iii) | FOB Value of Exports | - | - |



ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

39 **Segment Reporting:**
The Company operates in only one business segment viz. "Textile" which is reportable segment in accordance with the requirement of Accounting Standard (AS-17) on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

40 Deferred Tax Liability/ (Asset) as on 31.08.2025 in respect of Depreciation is as follows:

| | | Amount (in lakhs) |
|---|---|---|
| Opening Balance | : | 349.52 |
| Provided during the year | : | 7.94 |
| Closing Balance | : | 357.46 |

41 Auditors Remuneration includes Audit fees of Rs. 0.13 lakhs (Previous year Rs. 0.30 lakhs).

42 Related party disclosures as per Accounting Standard-18 issued by The Institute of Chartered Accountants of India are as under:

**Enterprises under the same management as on 31.08.2025:**
-Shiva Spinfab Pvt. Ltd.
-Yogindera Worsted Limited
-Shiva Speciality Yarns Limited
-Rudra Ecovation Limited (Formerely Himachal Fibre Limited)
-Shiva Cottex Private Limited
-Shiva Texchem (Gujarat) Limited
-Jaiguruji Food Processors Private Limited
-Abrol Real Estate (OPC) Private Limited

**Key Management Persons:**
Mr. Jai Saroop Sharma (Whole Time Director)
Mr. Akhil Malhotra ( Director )
Ms. Reema (Company Secretary)
Mr. Hardeep Singh (CFO)

Relatives of KMP:
Mrs. Simmi Malhotra
Mrs. Niti Malhotra

**Related Party Disclosure of transactions**:

(Rs. in Lakhs)

| Particulars | Enterprises under the same Management | | Key Management Personnel & Relatives | |
|---|---|---|---|---|
| | **31.08.2025** | **31.03.2025** | **31.08.2025** | **31.03.2025** |
| Purchases & Job Work (incl. discounts, if any) | 2243.82 | 4876.68 | Nil | Nil |
| Sales | 1350.15 | 6802.62 | Nil | Nil |
| Rent Paid | 32.20 | 93.04 | Nil | Nil |
| Managerial Remuneration | Nil | Nil | 29.04 | 35.13 |



ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS FRN-[illegible] LUDHIANA

43 The earnings per share (EPS) disclosed in the Statement of Profit and Loss has been calculated as under:-

| Basic Earnings per share | | |
|---|---|---|
| **Particulars** | **As at 31.08.2025** | **As at 31.03.2025** |
| Profit/ (Loss) attributable to Equity Shareholders (Rs. In lakhs) (A) | (925.62) | 1305.26 |
| Earnings Attributable to Equity Shareholders | (925.62) | 1305.26 |
| * Number of Equity Shares (Nos.) (B) | 30452934 | 30452934 |
| Earning per share (Basic) | (3.04) | 4.29 |
| Earning per share (Diluted) | (3.04) | 4.29 |

*EPS has been calculated on fully paid up Equity Shares.

44 Corporate Social Responsibility
The spending on CSR activities, if applicable shall be made at the end of year.

45 The accounts of the Company have been prepared on going concern basis.

46 The balance of parties is subject to confirmation and Bank balances are subject to Bank reconciliation statements.

47 ADDITIONAL REGULATORY DISCLOUSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013.

i) In respect of the Title deeds of the immovable properties:-Title deeds of all immovable properties are held in the name of the Company.

ii) As per the Company's accounting policy, Property, Plant and Equipment and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

iii) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMP's and other related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.

iv) The Company does not have any Intangible Assets under development.

v) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transaction (prohibition) Act, 1988 (45 to 1988) and the rules made there under.

vi) The company has a Working capital limit (fund based) of Rs. 700.00 lakhs from The Karur Vysya Bank. For the said facility, the Company has submitted Stock and debtors statement to the bank on monthly basis. The average difference between statements submitted and books of accounts is not material and this difference is mainly on account of valuation and provisions etc.

vii) The Company has not been declared as willful defaulter by any bank or financial institution or government ar any government authority.

viii) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year under review.

ix) The Company does not have any pending case related to registration or satisfaction of charges.

x) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961)

xi) The Company has not traded or invested in Crypto currency or virtual during the financial year.

xii) The Company has complied with the number of layers prescribed under clause (87) of the Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

xiii) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in



ANUJ GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS LUDHIANA

writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xiv) The Company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**For Anuj Gupta & Associates**
**Chartered Accountants**
FRN 036392N

**Anuj Gupta**
(Partner)
M.No. 527632

Place: Ludhiana
Date: 10/11/2025

**For and on behalf of the Board**

**Akhil Malhotra**
Director
DIN 00126240

**Jayswarup Sharma**
Whole Time Director
DIN 08915607

**Hardeep Singh**
CFO

**Reema**
CS

**DISCLOSURE DOCUMENT**

**[IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS, AS PROVIDED IN PART-E OF SCHEDULE VI OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018**

# SHIVA TEXFABS LIMITED

THIS DISCLOSURE DOCUMENT HAS BEEN PREPARED IN THE FORMAT SPECIFIED FOR AN **ABRIDGED PROSPECTUS** CONTAINING INFORMATION PERTAINING TO THE UNLISTED COMPANY - **SHIVA TEXFABS LIMITED,** INVOLVED IN THE SCHEME OF AMALGAMATION OF RUDRA ECOVATION LIMITED **("THE TRANSFEROR COMPANY" OR "RUDRA")** WITH SHIVA TEXFABS LIMITED (**"THE TRANSFEREE COMPANY" OR "SHIVA"**) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS **("THE SCHEME"),** UNDER SECTION 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, INCLUDING ANY STATUTORY MODIFICATION OR RE-ENACTMENT OR AMENDMENT THEREOF (COLLECTIVELY THE **"ACT"**) AND ALL OTHER APPLICABLE RULES AND REGULATIONS. THIS DISCLOSURE DOCUMENT CONTAIN APPLICABLE INFORMATION OF THE UNLISTED TRANSFEREE COMPANY - **SHIVA TEXFABS LIMITED**, IN COMPLIANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("**SEBI**") MASTER CIRCULAR NO. SEBI/HO/CFD/POD-2/P/CIR/2023/00094 DATED JUNE 21, 2023, AS AMENDED FROM TIME TO TIME, **("SEBI MASTER CIRCULAR")** READ WITH REGULATION 37 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

This Disclosure Document has been prepared in the format specified for the Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable. This Disclosure Document should be read together with the Scheme, and the Notice & the Explanatory Statement sent to the shareholders of Rudra.

This Disclosure Document should not be considered as an invitation or an offer of any securities by or on behalf of Shiva or Rudra. The existing Equity Shares of Shiva as well as new Equity Shares to be issued by Shiva to the Shareholders of Rudra, pursuant to the Scheme, shall be listed on Stock Exchange(s) on which the Equity Shares of the Rudra are listed. Shiva/ Rudra will make necessary application(s) to the Stock Exchange(s) and other competent authorities, if any, for this purpose and will comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, other SEBI Regulations and SEBI Circulars and other applicable provisions, if any, in this regard. As there is no issue of equity shares to the public at large, the requirements with respect to General Information Document (GID) is not applicable and this Abridged Prospectus should be read accordingly.

You may also download the Scheme and other relevant documents from the website of Rudra (www.rudraecovation.com/), website of Shiva (www.shivagroup.info), BSE Limited, where the equity shares of Rudra are listed (BSE") (www.bseindia.com).Unless specifically defined herein, capitalized terms and abbreviations used herein shall have the same meaning as ascribed to them in the Scheme.

**THIS ABRIDGED PROSPECTUS CONTAINS 13 (THIRTEEN) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

For SHIVA TEXFABS LTD.

Director

**SHIVA TEXFABS LIMITED**
CIN: U18101PB1993PLC013745

| Registered Office | Corporate Office | Contact Person | E-mail and Telephone | Website |
|---|---|---|---|---|
| 4th Floor, Wood Stock Tower, B-35/958, Adarsh Nagar, Ferozepur Road, Opposite Waves Mall, Ludhiana, Punjab, India- 141008 | 4th Floor, Wood Stock Tower, B-35/958, Adarsh Nagar, Ferozepur Road, Opposite Waves Mall, Ludhiana, Punjab, India- 141008 | 1. Mr. Akhil Malhotra, Director<br>2. Ms. Reema, Company Secretary | Email: Cmd.shiva@gmail.com; csstl@shivagroup.info<br>Telephone No: +91 9779700008<br>+91 6284301020 | www.shivagroup.info |

| | | |
|---|---|---|
| **PROMOTERS OF THE COMPANY:** | 1 | Akhil Malhotra |
| | 2 | Mayank Malhotra |
| | 3 | Simmi Malhotra |
| | 4 | Shiva Spinfab Private Limited |
| | 5 | Rudra Ecospin Recyclers Limited |
| | 6 | Shiva Texchem (Gujarat) Private Limited |
| | 7 | Yogindera Worsted Limited |
| | 8 | Rudra Ecovation Limited |

**DETAILS OF OFFER TO PUBLIC:**

| Type of Issue (Fresh/ OFS/ Fresh & OFS) | Fresh Issue Size (by no. of shares or by amount in INR) | Offer for Sale (OFS) Size (by no. of shares or by amount in INR) | Total Issue Size (by no. of shares or by amount in INR) | Issue Under Regulation 6(1)/ 6(2) | Share Reservation | | |
|---|---|---|---|---|---|---|---|
| | | | | | QIB | NII | RII |
| **Not Applicable** | | | | | | | |

**DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS (UPTO A MAXIMUM OF 10 SELLING SHAREHOLDERS):**

| Name | Type | No of Shares offered/ Amount in INR | Weighted Average Cost of Acquisition (WACA) in INR per Equity | Name | Type | No of Shares offered/ Amount in Rs | WACA in Rs per Equity |
|---|---|---|---|---|---|---|---|
| **Not Applicable** | | | | | | | |

| | |
|---|---|
| **ELIGIBILITY FOR THE ISSUE:** | **Not Applicable** |

For SHIVA TEXFABS LTD.

Director

| PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES | |
|---|---|
| Price Band | **Not Applicable** |
| Minimum Bid Lot Size | |
| Bid/Offer Opens on | |
| Bid/Closes on | |
| Finalization of Basis of Allotment | |
| Initiation of Refunds | |
| Credit of Equity Shares to Demat accounts of Allottees | |
| Commencement of trading of Equity Shares | |

**DETAILS OF WACA OF ALL SHARES TRANSACTED OVER THE TRAILING EIGHTEEN MONTHS FROM THE DATE OF DISCLOSURE DOCUMENT:**

| Period | Weighted Average Cost of Acquisition (in Rs.) | Upper End of the Price Band is 'X' times the WACA | Range of acquisition price Lowest Price- Highest Price (in Rs.) |
|---|---|---|---|
| **Trailing Eighteen Month from the date of Offer Document** | Not Applicable | | |

| | |
|---|---|
| **RISKS IN RELATION TO THE FIRST OFFER:** | **Not Applicable**<br>[Shiva is an unlisted Company and is not offering any securities / equity shares through an initial public offer to the public at large except to the shareholders of Rudra (listed company at BSE), pursuant to the Scheme.] |

| GENERAL RISKS |
|---|
| Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking any investment decision. For taking any investment decision, investors must rely on their own examination of Rudra, Shiva and the Scheme, including the risks involved. The equity shares of the Rudra or Shiva have not been recommended or approved by the Securities and Exchange Board of India ('SEBI') / Stock Exchanges, nor does SEBI / Stock Exchanges guarantee the accuracy or adequacy of the contents of the Disclosure Document. Specific attention of the investors is invited to the section titled **'INTERNAL RISK FACTORS'.** |

| PROCEDURE |
|---|
| The procedure with respect to public issue/ Offer would not be applicable in the present case as Scheme does not involve issue of Equity Shares to the pubic at large except to the shareholders of Rudra (listed company at BSE). Hence, the procedure with respect to a General Information Document ("**GID**") is not applicable and this Abridged Prospectus must be read accordingly. |

| PRICE INFORMATION OF BOOK RUNNING LEAD MANAGER (BRLM) AND OTHER DETAILS |
|---|
| **Not Applicable**<br>[The present Abridged Prospectus is not being issued as a result of public offer]<br>Name of BRLM and contact details (telephone and email id) of each BRLM: **Not Applicable**<br>Name of Syndicate Members: **Not Applicable** |

For SHIVA TEXFAB LTD.

Director

| IN CASE OF ISSUES BY SMALL AND MEDIUM ENTERPRISES UNDER CHAPTER IX, DETAILS OF THE MARKET MAKER TO BE INCLUDED: | |
|---|---|
| Name of Registrar to the Issue and contact details (telephone and email id) | Not Applicable |
| Name of Statutory Auditor | |
| Name of Credit Rating Agency and the rating or grading obtained, if any | |
| Self-Certified Syndicate Banks | |
| Non-Syndicate Registered Brokers | |
| Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable) | |

## DETAILS OF THE SCHEME

**Brief Particulars of the Scheme:**

a. The Scheme of Amalgamation of Rudra (Transferor Company) with Shiva (Transferee Company) is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 which provides for amalgamation of Rudra with and into Shiva on going concern basis.

b. Appointed Date for the Scheme is 1st April 2025 or such other date as may be mutually agreed by the respective Board of Directors of Rudra and Shiva with approval of Hon'ble NCLT or any appropriate authority.

c. Upon coming into effect of the Scheme and with effect from the Appointed Date and in accordance with the provisions of the Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act 2013, whole of the Undertaking of Rudra (as defined in the Scheme) shall stand transferred to Shiva on going concern basis and all assets, liabilities, contracts, arrangements, employees, Permits, licenses, registrations, enlistment, records, no objection certificates, approvals, credentials, litigations, etc., of the Rudra shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in Shiva, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licenses, registrations, enlistment, records, approvals, etc., of Rudra by virtue of, and in the manner provided in this Scheme.

***Notes: For further details with respect to the above, please refer to the Scheme.***

**Consideration for the Scheme of Amalgamation and allotment of Shares pursuant to the Scheme:**
Upon the effectiveness of the Scheme and in consideration of the amalgamation of Rudra (Transferor Company) with Shiva (Transferee Company), Shiva shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of Rudra, whose name is recorded in the register of members as member of Rudra as on the Record Date, as under:

***Equity Shares:***
*"Shiva (Transferee Company) will issue 0.213 (Zero Point Two One Three) fully paid-up equity shares of INR 10 (Indian Rupees Ten) each of Shiva, credited as fully paid up, to the Equity Shareholders of Rudra (Transferor Company) for every 01 (One) equity shares of INR 01 (Indian Rupees One Ten) each held in Rudra (Transferor Company)."*

***Convertible Warrants:***
*"Shiva (Transferee Company) will issue 0.213 (Zero Point Two One Three) Convertible Warrant to the Warrant Holders of Rudra (Transferor Company), for every 01 (One) Convertible Warrant held in the held in Rudra (Transferor Company)."* Subsequently, all such convertible warrants issued in Shiva in the aforesaid manner, shall be eligible to get 1 (One) Equity Share in Shiva for every 1 (One) Convertible Warrant.

For SHIVA TEXFABS LTD.

Director

*Entire issued and paid-up Preference Share Capital of Rudra is held by the Shiva only. Upon the Scheme finally coming into effect, entire issued and paid-up Preference Share Capital of Rudra will be cancelled as crossholding. Hence, no new share will be issued in lieu of the Preference Shares.*

***Notes: For further details with respect to consideration under the Scheme, please refer to the Scheme.***

Equity Shares of the Rudra Company are presently listed on BSE. In terms of the provisions of the Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") and other applicable provisions, if any, Shiva will be listed on the BSE limited and on any other Stock Exchange on which the Equity Shares of the Rudra are listed as on the Effective Date.

Upon this Scheme becoming effective and in terms of the LODR Regulations and SEBI Scheme Circular and other applicable provisions, if any, entire post-merger issued Equity Share Capital of Shiva including New Equity Shares to be issued by the Shiva to the Shareholders of Rudra pursuant to this Scheme, shall be listed on BSE and on any other Stock Exchange on which the Equity Shares of Rudra are listed as on the Effective Date.

Shiva will make necessary application(s) to the Stock Exchange(s), SEBI and other Appropriate Authority, if any, for above mentioned purpose and will comply with the provisions of SCRA, SCRR, LODR Regulations, SEBI Master Circular, and other applicable provisions, if any, in this regard.

**Rational for the Scheme:**
As detailed the Scheme, following are the circumstances which justify and/or necessitate the proposed Scheme of amalgamation of Rudra with Shiva. The benefits of the proposed amalgamation, as perceived by the Board of Directors of Rudra and Shiva, to the Shareholders and other stakeholders are, inter alia, as follows:

A. **Complementary Operations**: Rudra has expertise in spinning operations which complements the Shiva's capabilities in recycling and textile manufacturing. Shiva is one of the largest vertically integrated plastic recyclers in Asia and produces PET chips, fibers, and textiles. The proposed amalgamation will integrate the Rudra's spinning operations to streamline the supply chain.
B. **Enhanced Market Leadership**: The proposed amalgamation will strengthen the combined entity's position as a global leader in sustainable textiles, leveraging a fully integrated value chain.
C. **Operational Synergies**: Integration of Rudra and Shiva will reduce raw material costs and will enhance manufacturing efficiencies. Consolidation of administrative functions and supply chains will improve profitability of the Combined entity.
D. **Optimized Asset Utilization:** Physical and other infrastructure of Rudra will be utilized more effectively to drive financial and operational gains.
E. **Economies of Scale:** The merged operations will reduce redundancies, improve resource utilization, and efficiencies. Scale advantages will enable better competitive market positioning.
F. **Integrated Value Chain**: Shiva's raw materials directly feed Rudra's spinning processes, which supply yarn for Shiva's textile production. The fully integrated value chain reduces lead times, improves quality consistency, and minimizes waste.
G. **Flexibility and Adaptability**: The merged entity will gain flexibility to respond to market demands and industry trends.
H. **Regulatory Support**: Government policies encouraging recycling and sustainability create a favorable environment for expansion.
I. **Aligned Global Sustainability Commitments**: The proposed Amalgamation aligns with the sustainability commitments of global brands which require increased recycled content in their products and packaging. Shiva's capacity to recycle 4 lakh kg of plastic bottles dally supports these objectives, giving the combined entity a competitive edge and ensuring steady growth opportunities.
J. **Environmental Impact**: Recycling reduces energy consumption by 60% and C02 emissions by one-third compared to virgin materials. The merged entity's sustainable focus aligns with the environmental priorities of global clients.

For SHIVA TEXFABS LTD.

Director

| |
|---|
| **K. Shareholder Benefits**: The improved financial profile enhances shareholder returns through better growth prospects. |

| GENERAL INFORMATION | |
|---|---|
| Name of Merchant Banker<br>(Appointed under the SEBI Master Circular) | 3Dimension Capital Services Limited<br>Address: K-37/A, Basement, Kailash Colony New Delhi-110048<br>Tel. No.: +91 11 40196737<br>Email: delhi@3dcsl.com<br>Website: www.3dcsl.com<br>Contact person: Mr. Rhydham Kapoor |
| Name of Statutory Auditor | **M/s. YGA & Co., Chartered Accountants**<br>(Firm Registration Number: 025586N)<br>Address: 161-A, Dream lane, New Tagore Nagar, Haibowal Kalan, Ludhiana 141001<br>Phone No. :+91 8054127630<br>Email ID: yga.ca2012@gmail.com |

**PROMOTERS OF SHIVA (TRANSFEREE COMPANY):**

| Name of the Promoter | Individual/ Corporate | Experience | Educational Qualification |
|---|---|---|---|
| Akhil Malhotra | Individual | Mr. Akhil Malhotra, has over 36 years of extensive experience in the textile industry. He has been instrumental in establishing and expanding the company's operations, overseeing strategic business development, procurement, production, and overall management. His deep industry knowledge and leadership have been pivotal in driving sustained growth, operational excellence, and long-term vision for the organization. | Graduation |
| Mayank Malhotra | Individual | Mr. Mayank Malhotra plays a pivotal role in overseeing the organization's overall growth and strategic direction. As a second-generation leader, he is actively involved in managing all textile-related procurement and operations, ensuring quality, efficiency, and alignment with the company's long-term objectives. His dynamic approach and deep understanding of the textile industry continue to drive innovation and sustained business development. | Graduation |
| Simmi Malhotra | Individual | Mrs. Simmi Malhotra contributes her experience in overall business coordination, financial oversight, and strategic decision-making. Her strong sense of commitment and organizational understanding play a key role in guiding the company's growth and maintaining its core values. | Graduation |
| Shiva Spinfab Private Limited ("**Shiva Spinfab**") | Corporate | Shiva Spinfab is an existing private limited company under the provisions of the Companies Act, 2013. It was incorporated on December 13, 2004 under the provisions of Companies Act, 1956.<br><br>In terms of its Memorandum of Association (MOA), Shiva Spinfab is inter-alia permitted to carry on the business of trading and processing of spinning, scouring, dyeing, bleaching, doubling, printing and finishing, mercerizing, preparing, combing, raising and sizing in all kind of textile fabrics and spinning fabrics.<br><br>**Business Industry: Textile** | NA |

For SHIVA TEXFABS LTD

Director

| | | | |
|---|---|---|---|
| Rudra Ecospin Recyclers Limited ("**Rudra Ecospin**") | Corporate | Rudra Ecospin is an existing private limited company under the provisions of the Companies Act, 2013. It was incorporated on June 06, 1997 under the provisions of Companies Act, 1956.<br><br>In terms of its MOA, Rudra Ecospin is inter-alia permitted to carry on the business of manufacturers, importers, exporters, agents, wholesale and retail dealers and in textile goods, hosiery goods, cloth, cotton goods and readymade goods of every kind, nature and description for men, women and children, including blankets, shawls, lohis, muflars, scarfs, trousers, vests, underwears, socks, panties, nighties, stockings, sweaters, brasseries, coats, customers, gloves, laces and other hosiery and textile goods.<br><br>**Business Industry: Textile** | NA |
| Shiva Texchem (Gujarat) Private Limited ("**Shiva Texchem**") | Corporate | Shiva Texchem is an existing private limited company under the provisions of the Companies Act, 2013. It was incorporated on August 14, 2008 under the provisions of Companies Act, 1956.<br>In terms of its MOA, Shiva Texchem is inter-alia permitted to carry on the business of manufacturing all kinds of Chemicals, Dyes, printing material, metal stores and to undertake dyeing, bleaching or printing of all kinds of yarn, cloth, cotton in process, raw cotton, silk, rayon, wool, jute, hemp, and other fibres and to manufacture, buy, sell, import, export, exchange and deal in cloth, all kinds of yarn, fabrics, cotton in process, raw cotton, jute, wool, silk, rayon, hemp and other fibrous articles.<br><br>**Business Industry: Textile** | NA |
| Yogindera Worsted Limited ("**Yogindera Worsted**") | Corporate | Yogindera Worsted is an existing public limited company under the provisions of the Companies Act, 2013. It was incorporated on September 24, 1997 under the provisions of Companies Act, 1956.<br><br>In terms of its MOA, Yogindera Worsted is inter-alia permitted to carry on the trade business as manufacturers, processors, dealers distributors, agents, and sellers, Importers and exporters of Hosiery goods knitting yarn, readymade garments and fabrics of all kinds and description.<br><br>**Business Industry: Textile** | NA |
| Rudra Ecovation Limited ("**Rudra**") | Corporate | Rudra is an existing public limited company under the provisions of the Companies Act, 2013. It was incorporated on February 20, 1980 under the provisions of Companies Act, 1956.<br>In terms of its Memorandum of Association (MOA), Rudra is inter-alia permitted to carry on the business of manufacturers, producers, processors, bleachers, dyers ginners, spinners, weavers, importers, exporters, buyers, sellers of and dealers in: kinds of yarns and fibres, whether synthetic, artificial or natural, cotton, nylon, polyester, acrylics, rayon silk, artificial silk, linen, terene, terylene, wool, jute and any other fibers or fibrous materials, allied products, by products and substitutes for all or any of them, Wool Combers Worsted spinners, Woollen spinners and to treat and utilise and waste arising from any such manufacture, production or process.<br><br>**Business Industry: Textile** | NA |

For SHIVA TEXFABS LTD.

Director

| BUSINESS OVERVIEW AND STRATEGY | |
|---|---|
| **Company Overview:** | Shiva Texfabs Limited ("**Shiva**") is an existing public limited company under the provisions of the Companies Act, 2013. It was incorporated on September 23, 1993 under the provisions of Companies Act, 1956.<br><br>Shiva was promoted by (Late) Mr. B. K. Malhotra with his son Mr. Akhil Malhotra in the year 1993 as closely held company. Shiva started its production in the year 1996 with an initial installed capacity of 1600 spindles for manufacturing of acrylic and acro-polyester yarn. The acceptability of the product in the market encouraged the promoters to undertake expansion programme from time to time and the company enhanced its capacity from 1600 spindles to 4800 spindles in the year 1999 and to 60,000 spindles in 2025. Further, Shiva is also engaged in the manufacturing of Ready-Made Garments with a capacity of about 1000 pieces per day.<br><br>The Spinning Division has a total installed capacity to manufacture 15,300 MTs per annum of Blended Synthetic and Cotton yarns and 4400 Tons of wasted yarns per annum. Shiva had also added a Dyeing Division for in-house quality dyeing of fibres and yarns with an installed capacity of 6300 MTs per annum.<br><br>Shiva is manufacturing diversified blended yarns such as 100% Polyester, 100% Viscose, Polyester-Viscose and Acrylic-Viscose blended yarns instead of only gray yarn. Further, Shiva is producing high quality, ready to use, knotless dyed yarn, which is in demand in the international as well as domestic market. STL is presently focusing on dyed yarn because of higher value additions.<br><br>The main raw material for the production of blended synthetic yarn is manmade staple fibre, from the recycled material of pet waste and the company is presently procuring the same from Reliance Industries Limited and other suppliers; while for cotton yarn the Company procures ginned and clean cotton from the local market through dealers. All other raw materials and chemicals are easily available from Ludhiana itself through agents representing major manufacturers in the line. Ludhiana, known as the Manchester of India, is the biggest hosiery market in the country. The company is presently marketing its synthetic yarns to various reputed hosiery manufacturers through leading yarn dealers of Ludhiana, Amritsar, Panipat and Delhi.<br><br>Shiva has two manufacturing units which are located at Village Iraq and Bhattian, near Machhiwara, Tehsil Samrala, Distt Ludhiana, Punjab. Unit at Village Iraq has land area of ~25 acres and Unit at Village Bhattian has land area of ~70 acres.<br><br>**Financial Details:** Please refer page no. 11 of this Disclosure Document for financials details. |

For SHIVA TEXFABS LTD.

Director

| | |
|---|---|
| | Pursuant to the Scheme, Rudra is proposed to be amalgamated with Shiva. |

**BOARD OF DIRECTORS**

| Sr. No. | Name of the Director | Designation (Independent / Whole time / Executive / Nominee) | Experience & Educational Qualification | Other Directorships |
|---|---|---|---|---|
| 1. | Mr. Akhil Malhotra (DIN: 00126240) | Executive Director (Promoter) | Please refer Table of Promoter Details at Page 6 of this Disclosure Document. | 1. Shiva Spinfab Private Limited<br>2. Rudra Ecovation Limited<br>3. Shiva Cottex Private Limited<br>4. Jaiguruji Food Processors Private Limited<br>5. Shiva Speciality Yarns Limited<br>6. Yogindera Worsted Limited<br>7. Shiva Texchem (Gujarat) Private Limited |
| 2. | Jai Swaroop Sharma (DIN: 08915607) | Whole-Time Director (Professional) | Mr. Sharma has extensive experience in managing commercial operations, including liaising with custom and various government departments.<br><br>**Educational Qualification:** Post Graduate | Nil |
| 3. | Upendra Lal (DIN: 07806152) | Non-Executive Director (Professional) | Mr. Lal possesses valuable experience in coordination and liaison activities with private agencies, especially those involved in transport and logistics services.<br><br>**Educational Qualification:** Graduation | Nil |
| 4. | Dharam Veer Singh (DIN: 11060607) | Independent Director | Mr. Singh has more than 5 years experience in Textile Marketing.)<br><br>**Educational Qualification:** Graduation | 1. Rudra Ecovation Limited<br>2. Yogindera Worsted Limited |
| 5. | Kajal Rai (DIN: 07366983) | Independent Director | Being a Company Secretary, Ms. Kajal has expertise in Secretarial and Legal Compliances. | 1. Rudra Ecovation Limited<br>2. Ritesh International Limited |

For SHIVA TEXFAB LTD

Director

| | | | | |
|---|---|---|---|---|
| | | | **Educational Qualification:** Company Secretary | |

| **OBJECTS OF THE SCHEME** | |
|---|---|
| **Objects of the Scheme** | For Objective/Rationale of the Scheme with respect to Amalgamation of Rudra into Shiva, please refer **"DETAILS OF THE SCHEME" at Page 4-6 of this Disclosure Document.** |
| **Details of means of finances** | Not Applicable |
| **The fund requirement for each of the Objects of the issue** | Not Applicable |
| **Details and reasons for non-deployment or delay in deployment of proceeds or change in utilization of proceeds** | Not Applicable |
| **Name of the monitoring agency, if any** | Not Applicable |
| **Terms of issue of convertible security, if any** | Not Applicable |
| **Number and amount of equity shares proposed to be sold by the Selling Shareholders, if any** | Not Applicable |

| **Shareholding Pattern (Equity Shares) (Pre and Post Scheme) – Shiva Texfabs Limited** | | | | | |
|---|---|---|---|---|---|
| **Sr. No.** | **Particulars** | **Pre-approval of Scheme** | | **Post-approval of Scheme (Fully Diluted Basis)** | |
| | | **Number of Shares** | **%** | **Number of Shares** | **%** |
| 1. | Promoter & Promoter-Group | 34,965,119 | 99.46% | 32,246,273 | 59.60% |
| 2. | Public | 189,570 | 0.54% | 21,856,676 | 40.40% |
| 3. | Non-Promoter Non-Public | 0 | 0.00% | 0 | 0.00% |
| **Total** | | **35,154,689** | **100.00** | **54,102,949** | **100.00%** |

*Note:*

1. *Prior to the Scheme, share capital of Shiva includes 4701755 partly paid up equity shares held by Rudra on which INR 5.40 is still unpaid.*
2. *Post Scheme Share Capital (fully diluted basis) of Shiva (i.e post amalgamation of Rudra) has been calculated based on the following:*
   A. *Shiva will issue Equity Shares to the Equity Shareholders of Rudra in the ratio of 0.213: 1.*
   B. *The shares held by Rudra in Shiva will get cancelled on account of cross holdings.*
   C. *Shiva will issue convertible warrants to the warrant holders of Rudra in the ratio of 0.213: 1. Thereafter, such convertible warrants will get converted into Equity Shares of Shiva in the ratio of 1:1.*
3. *Entire redeemable preference share capital of Rudra (i.e 1,200,000 preference shares of INR 100 each) is held by Shiva which will get cancelled in terms of the Scheme.*

| | |
|---|---|
| **Number/ amount of equity shares proposed to be sold by the Selling Shareholders, if any** | **Not Applicable** |

For SHIVA TEXFABS LTD.

Director

**AUDITED FINANCIALS:**

| Particulars | | 5 Months period | Financial year ended | | |
|---|---|---|---|---|---|
| | | 31-Aug-25 | 31-Mar-25 | 31-Mar-24 | 31-Mar-23 |
| Total income from operations (Net) (Excluding Other Income) | *INR In Lakh* | 12,828.44 | 41,365.39 | 41,033.04 | 50,444.12 |
| Net Profit /(Loss) before tax and extraordinary items/ exceptional items | *INR In Lakh* | (1,023.60) | 1,041.49 | 1,392.26 | 7.41 |
| Net Profit / (Loss) after tax and extraordinary items/ exceptional items | *INR In Lakh* | (925.62) | 1,305.26 | 49,589.83 | (72.75) |
| Equity Share Capital | *INR In Lakh* | 3,261.57 | 3,261.57 | 2,577.46 | 2,577.46 |
| Reserves and Surplus | *INR In Lakh* | 17,606.96 | 18,532.56 | 3,286.30 | (46,303.52) |
| Net worth | *INR In Lakh* | 20,868.53 | 21,794.13 | 5,863.76 | (43,726.06) |
| Basic earnings per share (Not annualized for 5 months period ended August 31, 2025) | INR | (3.04) | 4.29 | 192.40 | (0.28) |
| Diluted earnings per share (Not annualized for 5 months period ended August 31, 2025) | INR | (3.04) | 4.29 | 192.40 | (0.28) |
| Return on net worth (**RONW**) (Not annualized for 5 months period ended August 31, 2025) | % | *-4.44%* | *5.99%* | *845.70%* | *NA* |
| Net asset value per share (**NAV per Equity Share**) | INR | 59.36 | 61.99 | 22.75 | (169.65) |

Note: The above summary of financials details has been extracted from audited financials of Shiva for respective periods.

**Formula:**

1. **RONW:** Net Profit / (Loss) after tax and extraordinary items/ exceptional items divided by Net Worth
2. **NAV per Equity Share:** Net Worth divided by Number of outstanding Equity Shares as on respective balance sheet date.

| INTERNAL RISK FACTORS |
|---|
| 1. **Capital Efficiency Improvement**: Current RoCE levels indicate scope for enhancing capital utilization to achieve stronger financial returns.<br>2. **Revenue Growth Potential**: Sales trends suggest an opportunity to strengthen market reach and accelerate top line growth.<br>3. **Liquidity Strengthening**: Interest coverage indicators highlight the need to further improve cash flow buffers for smoother financial commitments.<br>4. **Operational Consistency**: Ensuring uniform quality in recycled PET flakes/fiber remains important for sustaining long-term customer confidence.<br>5. **Inventory Optimization**: Better monitoring of slow-moving inventory can help improve working capital efficiency and prevent future accumulation.<br>6. **Technology Upgradation**: Continued investments in advanced recycling and processing technologies will further enhance productivity and competitiveness.<br>7. **Talent Continuity Planning**: Building stronger succession plans can reduce dependency on key technical and managerial personnel. |

For SHIVA TEXFABS LTD.

Director

8. **Internal Control Enhancement**: Periodic strengthening of financial and operational controls will support transparency and minimize process-related risks.
9. **R&D Return-on-Investment Risk**: Since we are into Fashion Market, some investment in development and R&D may not work.
10. **Capacity Optimization**: There is potential to improve utilization of existing recycling and production capacity to achieve higher operational efficiency.

**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS:**

**A. Total number of outstanding litigations against the company and amount involved:**

| Nature of Cases | Number of outstanding cases | Amount Involved (INR in Lakh)* |
|---|---|---|
| Criminal proceedings against the Company | Nil | N.A. |
| Material civil litigation against the Company** | 1 | 2.00 |
| Actions by statutory or regulatory authorities against the Company | Nil | N.A. |
| Direct and indirect tax proceedings against the Company | 4 | 109.90 |
| Disciplinary actions by the SEBI or Stock Exchanges against the Company | Nil | N.A. |

**Note:** Legal notices not converted to litigations /proceedings have not been captured here.
*To the extent quantifiable.

**B. Brief details of top 5 material outstanding litigations against the Company and amount involved:**

| Sr. No. | Particulars | Litigations filed by | Current Status | Amount Involved (INR in Lakh) |
|---|---|---|---|---|
| 1. | Case filed with Labour Court for compensation. | Mr. Mohan Singh (Ex Employee) | Pending | 2.00 |
| 2. | Interest and Penalty Imposed by Central Excise Department- **3 cases** | Central Excise Department | Shiva has filed three different appeals before Hon'ble Commissioner (Appeals), Central Excise Chandigarh against the orders of the Assistant Commissioner, Central Excise Division, Ropar for recovery of amount on account of interest and penalty imposed for wrongly taking credit of cenvat credit on invalid invoices for INR 202838, INR 122536 and INR 111198 respectively. The Appeal has been decided in favour of the Department and as per the order of the Hon'ble | Not Quantifiable |

For SHIVA TEXFABS LTD.

Director

| | | | | |
|---|---|---|---|---|
| | | | Commissioner (Appeals), the Department is yet to provide re-calculated amount of interest and penalty imposed. | |
| 3. | Demand against rejection of VAT ITC claim | VAT Department-Punjab | The Company has filed an application for OTS | 109.90 |

Further, as per the audited financials for the period ended August 31, 2025, following are the undisputed statutory dues were outstanding at the end for the period of more than 6 months from the date they become due are as follows:

| **Nature of Dues** | **Outstanding Amount (INR in Lakh)** |
|---|---|
| ESI | 51.21 |
| Provident Fund | 5.88 |
| Employees Welfare Fund | 52.04 |
| Tax Deducted/Collected at Source | 108.88 |
| Punjab Development Tax | 22.20 |

**C. Regulatory action, if any disciplinary action taken by SEBI or Stock Exchange against the Promoter –in the last 5 (five) financial years including outstanding action, if any: Nil**

**D. Brief details of outstanding criminal proceedings against Promoter(s) –**Nil

| ANY OTHER IMPORTANT INFORMATION AS PER MERCHANT BANKER / ISSUER COMPANY |
|---|
| Nil |

**DECLARATION BY THE COMPANY**

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines / regulations issued by the Government of India or the guidelines / regulations issued by the SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Disclosure Document is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Disclosure Document are true and correct.

For and on behalf of
**SHIVA TEXFABS LIMITED**

For SHIVA TEXFABS LTD.

**NAME: AKHIL MALHOTRA**
**Designation: DIRECTOR**
**DIN: 00126240**

**Dated: December 12, 2025**
**Place: Ludhiana, Punjab**

Date: December 12, 2025

To,
The Board of Directors
**Rudra Ecovation Limited**
4th Floor, Wood Stock Tower, B-35/958, Adarsh Nagar
Ferozepur Road, Opposite Waves Mall, Ludhiana-141012, Punjab, India

**Sub: Certificate on adequacy and accuracy of disclosure of information pertaining to the Unlisted Company- Shiva Texfabs Limited ("Transferee Company" or "Shiva") in the format prescribed for Abridged Prospectus as specified in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/00094 dated June 21, 2023, as amended from time to time ("SEBI Master Circular") in connection with Scheme of Amalgamation of Rudra Ecovation Limited ("Transferor Company" or "Rudra") with Shiva and their respective Shareholders and Creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.**

Dear Sirs,

I. **Background:**

We, M/s 3Dimension Capital Services Limited, a Category I Merchant Banker registered with SEBI, having registration no. MB/INM000012528 have been appointed by M/s Rudra Ecovation Limited (CIN: L43292HP1980PLC031020), a company incorporated under the provisions of the Companies Act, 1956 and an existing public limited company under the provisions of the Companies Act, 2013 and having its registered office at Plot No. 43-44, Industrial Area, Barotowala-174103, Himachal Pradesh, India and having its corporate office at 4th Floor, Wood Stock Tower, B-35/958, Adarsh Nagar Ferozepur Road, Opposite Waves Mall, Ludhiana-141012, Punjab, India (hereinafter referred to as "**Rudra**" or "**Transferor Company**") for the purpose of certifying the adequacy and accuracy of disclosure of information provided in the Abridged Prospectus/Disclosure Document of Unlisted Company involved in the Scheme- Shiva Texfabs Limited, a company incorporated under the provisions of the Companies Act, 1956 and an existing public limited company under the provisions of the Companies Act, 2013 and having its registered office at 4th Floor, Wood Stock Tower, B-35/958, Adarsh Nagar Ferozepur Road, Opposite Waves Mall, Ludhiana-141012, Punjab, India (hereinafter referred to as "**Shiva**" or "**Transferee Company**") in connection with proposed amalgamation of Rudra into Shiva in terms of the Scheme of Amalgamation amongst Rudra, Shiva and their respective Shareholders and Creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (hereinafter



K-37/A, Basement, Kailash Colony, Near Kailash Colony Metro Station, New Delhi-110048
Tel. : +91-11-40196737, E-mail : delhi@3dcsl.com, Website: www.3dcsl.com

referred to as "**Scheme**" or "**Scheme of Amalgamation**" or "**Proposed Scheme**").

## II. About 3Dimension Capital Services Limited:

3Dimension Capital Services Limited (hereinafter referred to as "3DCSL") is a Public Limited Company incorporated under the Companies Act, 1956 with the Registrar of Companies, NCT of Delhi and Haryana. Our Company is a Category 1 Merchant Banker registered with Securities and Exchange Board of India (SEBI), Mumbai with Registration No.: MB/INM000012528.

## III. Scope and Purpose of the Certificate:

SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/00094 dated June 21, 2023, as amended from time to time ("**SEBI Master Circular**") inter-alia prescribed that the listed entity (in the present case "**Rudra**") shall include the applicable information pertaining to the unlisted entity/ies involved in the Scheme (in the present certificate, "**Shiva**") in the format specified for Abridged Prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**") in the explanatory statement or notice or proposal accompanying resolution to be passed, sent to the shareholders while seeking approval of the Scheme. SEBI Master Circular further prescribes that the accuracy and adequacy of such disclosures shall be certified by a SEBI Registered Merchant Banker after following the due diligence process.

This Certificate is being issued in compliance of above-mentioned requirement under the SEBI Master Circular.

**This Certificate is restricted to meet the above-mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.**

## IV. Certification:

We state and confirm as follows:

1. We have examined various documents and other materials made available to us by the management of Rudra/ Shiva in connection with finalization of Disclosure Document containing information in the format prescribed for Abridged Prospectus ("**Disclosure Document**") dated December 12, 2025 pertaining to Shiva which will be circulated to the members of Rudra at the time of seeking their consent to the Scheme, as a part of explanatory statement to the notice.

2. Based on the information, documents, confirmation, representation, undertakings and certificates provided to us by Shiva and Rudra as well as discussion with the management of Rudra/Shiva, we confirm that information contained in the Disclosure Document of Shiva is adequate and accurate in terms of SEBI Master Circular read with Part E of Schedule VI of the ICDR Regulations.

V. **Disclaimer:**

Our scope of work did not include the following:-

- An audit of the financial statements of Shiva.
- Carrying out a market survey / financial feasibility for the Business of Shiva.
- Financial and Legal due diligence of Shiva.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of Shiva.

We do not assume any obligation to update, revise or reaffirm this certificate because of events or transactions occurring subsequent to the date of this certificate.

We understand that the management of Rudra/ Shiva during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our Certificate.

The fee for our services is not contingent upon the result of the proposed Scheme of Amalgamation.

The management of Rudra and Shiva or their related parties are prohibited from using this Certificate other than for its sole limited purpose and not to make a copy of this Certificate available to any party other than those required by statute for carrying out the limited purpose of this certificate. Our certificate is not, nor should it be constructed as our opinion or certification of the compliance of the proposed Scheme of Amalgamation with the provision of any law including Companies Act, taxation laws, capital market laws and related laws.

Notwithstanding anything contained in this Certificate, 3DCSL, its directors and employees will not be liable to any party for any direct, indirect, incidental, consequential, special or

exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this engagement.

Thanking You.

**For 3Dimension Capital Services Limited**



**Rhydham Kapoor**
**Executive Vice President**

## Compliance Report to be submitted along with the Draft Scheme

It is hereby certified that the draft Scheme of Amalgamation of Rudra Ecovation Limited (Formerly Known as Himachal Fibres Ltd)with Shiva Texfabs Limited; does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular no.SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (the Circular), including the following:

| Sl. | Reference | Particulars | Remark |
|---|---|---|---|
| 1 | Regulations 17 to 27 of LODR Regulations | Corporate governance requirements | Complied |
| 2 | Regulation 11 of LODR Regulations | Compliance with securities laws | Complied |
| Requirements of this circular | | | |
| | | | |
| (a) | Para (I)(A)(2) | Submission of documents to Stock Exchanges | Complied |
| (b) | Para (I)(A)(3) | Conditions for schemes of arrangement involving unlisted entities | Complied |
| (c) | Para (I)(A)(4) (a) | Submission of Valuation Report | Applicable (Certificate from the Registered Valuer for applicability is enclosed) |
| (d) | Para (I)(A)(5) | Auditors certificate regarding compliance with Accounting Standards | Complied Auditor Certificate is attached |
| (e) | Para (I)(A)(9) | Provision of approval of public shareholders through e-voting | Complied Approval of public shareholders through e-voting would be taken |

**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**

**Nancy Singla**
**Company Secretary**

**Gian Chand Thakur**
**Whole Time Director**

**Vinod Kumar Goyal**
**Chief Executive Officer**

Certified that the transactions / accounting treatment provided in the draft Scheme of Amalgamation of Rudra Ecovation Limited with Shiva Texfabs Limited are in compliance with all the Accounting Standards applicable to a listed entity.

**For Rudra Ecovation Limited**
**(Formerly Known as Himachal Fibres Ltd)**

| | | |
|---|---|---|
| **Sabastian Joseph** | **Gian Chand Thakur** | **Vinod Kumar Goyal** |
| **Chief Financial Officer** | **Whole Time Director** | **Chief Executive Officer** |

**Date: 24.12.2024**
**Place: Ludhiana**