SHIVA TEXYARN LIMITED

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043, Tamilnadu INDIA
Telephone : 0422 - 2435555 E-mail : shares@shivatex.co.in
Website : www.shivatex.co.in CIN : L65921TZ1980PLC000945

STYL/SEC/1714/NSE/2017–2018 25.12.2017

THE MANAGER
LISTING DEPARTMENT
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
"EXCHANGE PLAZA"
BANDRA-KURLA COMPLEX
BANDRA (EAST)
MUMBAI 400 051

Scrip Code: SHIVTEX

Sir,

Sub: Filling of Annual Report as adopted by the Shareholders at the Annual General Meeting - Regulation 34(1) – reg.

Pursuant to the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we file herewith soft copy of the Annual Report duly adopted by the Shareholders at the 36th Annual General Meeting held on 25.12.2017.

Please take on the record of the above.

Thanking you,

Yours faithfully,

For SHIVA TEXYARN LIMITED

R SRINIVASAN
COMPANY SECRETARY

Encl : as above

GKS/1/E/STYL/LETTER TO NSE&BSE

SHIVA TEXYARN LIMITED

36th Annual Report 2017

CONTENTS

Board of Directors 1
Notice to Shareholders 2
Directors' Report 11
Annexure to Directors' Report 19
Corporate Governance 37
Management Discussion and Analysis 49
Auditors' Certificate on Corporate Governance 51
Independent Auditors' Report on Standalone Financial Statement 52
Balance Sheet 58
Statement of Profit and Loss Account 59
Cash Flow Statement 64
Notes to Financial Statement 66
Independent Auditors' Report on Consolidated Financial Statement 98
Consolidated Balance Sheet 102
Consolidated Statement of Profit and Loss Account 103
Consolidated Cash Flow Statement 108
Consolidated Notes Forming Part of the Balance Sheet 110
Financial Performance - Year wise 142

BOARD OF DIRECTORS

Sri S V Alagappan	Chairman
Sri S V Arumugam	Director
Dr S V Kandasami	Director
Sri S K Sundararaman	Managing Director
Smt S Sujana Abirami	Director
Sri K N V Ramani	Director
Sri C S K Prabhu	Director
Sri S Palaniswami	Director
Dr K R Thillainathan	Director
Sri S Marusamy	Director

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

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

COST AUDITOR
Sri M Nagarajan
Cost Auditor
Coimbatore - 641 018

REGISTERED OFFICE
252, Mettupalayam Road
Coimbatore - 641 043
Tamilnadu
Phone : 91-422-2435555
Fax : 91-422-2434446
E-mail : shares@shivatex.co.in
Website : www.shivatex.co.in
CIN : L65921TZ1980PLC000945

CHIEF FINANCIAL OFFICER
Sri C Krishnakumar

COMPANY SECRETARY
Sri R Srinivasan

BANKERS
Canara Bank
Indian Overseas Bank
ICICI Bank Ltd
UCO Bank
State Bank of India
Bank of Maharashtra
Bank of Baroda
Karur Vysya Bank
Axis Bank Limited
HDFC Bank Limited

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 36th Annual General Meeting of the Members of the Company will be held at Nani Kalaiarangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641037on Monday the 25th day of December, 2017 at 9.15 A.M to transact the business set out in the agenda given below:

You are requested to make it convenient to attend the meeting.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company both Standalone and Consolidated for the financial year ended 31st March, 2017, the reports of the Board of Directors and the Auditors thereon.

2. To declare dividend on equity shares.

3. To appoint a Director in the place of Sri S V ALAGAPPAN, (DIN 00002450) who retires by rotation and being eligible, offers himself for re-appointment.

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

   RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Bangalore (Firm Registration No: 117366W/W-100018) be and are hereby appointed as Auditors of the Company, to hold the office from the conclusion of this 36th Annual General Meeting until the conclusion of 41st Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors be and are hereby authorized to fix their remuneration.

SPECIAL BUSINESS

5. **Appointment of Sri S K Sundararaman (DIN 00002691) as Managing Director**

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

   RESOLVED THAT pursuant to Sections 196, 197, 198, 199 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013, consent of the Company be and is hereby accorded to the appointment of Sri S K Sundararaman, (DIN 00002691) as Managing Director of the Company for a period of 5 years w.e.f 31.8.2017 and that Sri S K Sundararaman, Managing Director (DIN 00002691) who shall carry out the day to day affairs of the Company subject to superintendence and guidance of Board of Directors, be paid the following remuneration as recommended by the Nomination and Remuneration Committee:

1. **REMUNERATION:** 5% (Five Percent) of the Net Profits of the Company computed under the relevant provisions of the Companies Act, 2013, as overall remuneration, paid in the following manner:

   a. **SALARY :** 3,00,000/- (Rupees Three Lakhs only) per month

   b. **PERQUISITES :** An amount not exceeding annual Salary

   c. **COMMISSION :** Balance of overall remuneration remaining after payment of the above Salary and Perquisites at the end of each financial Year.

2. PERQUISITES NOT INCLUDED IN THE ABOVE REMUNERATION:

I) Contribution to Provident Fund as per rules of the Company, to the extent the same is not taxable under the Income Tax Act, 1961.

II) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

III) Encashment of leave as per rules of the Company.

MINIMUM REMUNERATION

In the absence or inadequacy of profits in any financial year, the remuneration to Sri S K Sundararaman, Managing Director (DIN 00002691) shall be governed by the limits prescribed under Section II of the Part II of Schedule V of the Companies Act, 2013. It is further provided that this provision relating to payment of Minimum remuneration is limited to the first three years of appointment of Managing Director.

FURTHER RESOLVED THAT draft Memorandum Under Section 190(1)(b) of the Companies Act, 2013, setting out the terms and conditions of the Appointment of Managing Director, duly authenticated by the Chairman of the Meeting and placed before the Board be and is hereby approved and that the same be signed by Sri S V Arumugam, Director (DIN 00002458) on behalf of the Company.

6. Appointment of Dr S V Kandasami (DIN 00002470) as Director

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

RESOLVED THAT in accordance with Articles of Association and in terms of Section 160 of Companies Act,2013 or any amendment thereto or modifications thereof, Dr S V Kandasami (DIN 00002470) who was appointed as an Additional Director of the Company with effect from August 31, 2017, and whose term expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing along with a deposit from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company to hold office subject to retirement by rotation.

7. Appointment of Smt S Sujana Abirami (DIN 06939773) as Director

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

RESOLVED THAT in accordance with Articles of Association and in terms of Section 160 of Companies Act,2013 or any amendment thereto or modifications thereof, Smt S Sujana Abirami (DIN 06939773) who was appointed as an Additional Director of the Company with effect from August 31, 2017, and whose term expires

at this Annual General Meeting, and in respect of whom the Company has received a notice in writing along with a deposit from a member proposing her candidature for the office of Director be and is hereby appointed as a Director of the Company to hold office subject to retirement by rotation.

8. Ratification of Appointment of Cost Auditors for financial year ended 31st March 2018

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of Audit Committee the remuneration of ₹ 1,00,000 (Rupees One Lakh only) (besides reimbursement of out of pocket expenses incurred by him for the purpose of Audit) payable to Sri M Nagarajan, Cost Auditor (Firm Registration No. 102133), as approved by the Board of Directors for conducting the Audit of the Cost Records of the Company for the Financial Year ending 31st March 2018, be and is hereby ratified and confirmed.

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

Coimbatore
1st November, 2017

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Corporate members intending to send their authorised representatives to attend the meeting, are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote at the meeting.
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business in respect of item 5 & 6 of the Agenda is annexed hereto.
4. Previous year figures are given in brackets for the purpose of comparison.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 19.12.2017 to 25.12.2017 (both the days are inclusive).
6. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting of the Company.
7. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 18.12.2017. In respect of dematerialized shares, dividend will be paid on the basis of the beneficial ownership furnished by the National Security Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 18.12.2017.
8. The dividend remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund established under section 205C of the Companies Act, 1956 on the respective due dates; upon such transfer, no claim shall lie against the Company or the Central Government for such unclaimed dividend.
9. Members are requested to bring their copy of the Annual Report along with them to the meeting.
10. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting. Please note that the voting through electronic means is optional for the members.
11. The voting through electronic means will commence on 22.12.2017 at 10.00 a.m and will end on 24.12.2017 at 5.00 p.m. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter.
12. The Company has appointed Mr R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the voting process in a fair and transparent manner.

13. The instructions for shareholders voting electronically are as under:

i) The voting period begins on 22.12.2017 at 10.00 AM and ends on 24.12.2017 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18.12.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii) The shareholders should log on to the e-voting website www.evotingindia.com.

iii) Click on Shareholders.

iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v) Next enter the Image Verification as displayed and Click on Login.

vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for the relevant SHIVA TEXYARN LIMITED on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv) 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.

xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

12. Kindly note that members can opt for only one mode of voting i.e., either by voting at the venue or through remote e-voting. The Members attending the meeting, who have not already cast their vote thro remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote thro remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the venue.

13. In support of the "Green Initiative" announced by the Government of India, electronic copy of the Annual Report and Notice inter alia indicating the process and manner of e-voting along with attendance slip and proxy form are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the Company / Depository Participants unless member has requested for a hard copy of the same.

14. The Route Map of the Venue of the Annual General Meeting is attached to the Proxy Form/Attendance Slip.

Coimbatore
01st November, 2017

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

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM 5

Sri S K Sundararaman, (DIN 00002691) was appointed as Managing Director for a period of five years w.e.f. 31.8.2017 by the Board of Directors in their meeting held on 31.8.2017. Due to the resignation of Sri S V Alagappan (DIN 00002450) from the position of Managing Director and based on the recommendation of the Nomination and Remuneration Committee held on 31.8.2017, Sri S K Sundararaman was appointed as Managing Director of the Company for a period of 5 years w.e.f. 31.08.2017 on a remuneration as set out in the resolution.

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

Excepting the appointee, Dr S V Kandasami and Smt S Sujana Abirami, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

ITEM 6

Dr S V Kandasami (DIN 00002470) was appointed as an Additional Director of the Company with effect from August 31, 2017 based on the recommendation of the Nomination and Remuneration Committee and his term of office expires at this annual general meeting.

A Notice along with a deposit of Rs 1,00,000/- (Rupees One Lakh Only) as required under Section 160(1) of the Companies Act,2013 has been received from a member proposing the appointment of Dr S V Kandasami as Director of the Company.

Except Sri S V Alagappan, Sri S V Arumugam, Dr S V Kandasami and Sri S K Sundararaman, Smt S Sujana Abirami as relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

ITEM 7

Smt S Sujana Abirami (Din 06939773) was appointed as an Additional Director of the Company and Women Director with effect from August 31, 2017 based on the recommendation of the Nomination and Remuneration Committee and her term of office expires at this annual general meeting.

A Notice along with a deposit of Rs 1,00,000/- (Rupees One Lakh Only) as required under Section 160(1) of the Companies Act,2013 has been received from a member proposing the appointment of Smt S Sujana Abirami (Din 06939773) as Director of the Company.

Except Dr S V Kandasami, Sri S K Sundararaman and Smt S Sujana Abirami, the appointee none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

ITEM 8

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment of and payment of remuneration to Sri M Nagarajan, Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2018.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March 2018, as set out in the resolution.

The Board of Directors recommend the Ordinary Resolution as set out in this item of the Notice for approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

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

Coimbatore
1st November, 2017

ANNEXURE TO THE NOTICE RE-APPOINTMENT OF DIRECTORS

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

1. Name :	Sri S V Alagappan (DIN 00002450)	Dr S V Kandasami (DIN 00002470)	Smt S Sujana Abirami (DIN 06939773)
2. Age :	75 Years	74 Years	38 years
3. Qualification :	B.Com., B.L.	MBBS	B. Com.
4. Date of Appointment :	27.6.2005	31.8.2017	31.8.2017
5. Experience :	He has more than 30 years of experience in Textile Industry	50 Years	10 Years
6. Other Directorships :	Shiva Mills Limited Vadivelan Agencies Ltd Anamallais Agencies Pvt Ltd Anamallais Cars Pvt Ltd Annamallai Retreading Company (P) Limited Bannari Amman Automobiles (P) Limited Shiva Automobiles Private Limited Vadivelan Enterprises Private Limited	S K S Agencies Limited Vedanayagam Hospital Limited Anamallais Agencies Private Limited Abirami Ecoplast Private Limited Sundar Ram Enterprise Pvt Ltd L K Distributors Private Limited Abirami Distributors Private Limited Kandiamman Properties and Holdings Private Limited Kandiamman Realtors and Developers Private Limited	Abirami Distributors Private Limited
7. Member of Committee :	-	-	-
8. Member of Committee in other Public Limited Companies :	-	-	-
9. Number of Shares held in the Company :	54,450 Equity Shares	5,27,450 Equity Shares	-
	Except Sri S V Alagappan, Sri S V Arumugam and Dr S V Kandasami none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.	Except Sri S V Alagappan, Sri S V Arumugam, Dr S V Kandasami and Sri S K Sundararaman, Smt S Sujana Abirami, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.	Except Dr S V Kandasami, Sri S K Sundararaman and Smt S Sujana Abirami none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Sixth Annual Report together with Audited Financial Statements of the Company for the year ended 31st March, 2017. The financial statements have been prepared after giving accounting effect to the demerger of the business of Spinning Unit-1 along with connected wind mills in favour of Shiva Mills Limited (Formerly known as STYL Textile Ventures Limited) a wholly owned subsidiary of your company. The financial results of the company, excluding the revenue and profits of the Demerged business undertakings, have been summarised and given below:-

FINANCIAL RESULTS

(₹ in lakhs)

	Financial Year 2016-2017
Profit before Interest and Depreciation	**4990.28**
Less: Interest	**2060.81**
Profit before Depreciation	**2929.47**
Less: Depreciation	**1282.57**
Profit before Tax	**1646.90**
Less : Provision for Income Tax	
- Current Tax	**379.72**
- Deferred tax Liability (Net)	**214.09**
Profit after Tax	**1053.09**
Add : Surplus brought forward from last year	**369.57**
Excess provision for dividend distribution tax (FY 2015 - 2016)	**2.57**
Amount available for appropriation	**1425.23**
Appropriations :	
Transfer to General Reserve	**-**
Surplus carried over to Balance Sheet	**1425.23**
Total	**1425.23**

In the above results, gross revenue of Rs.17,169.77 laksh and profit after tax of Rs.453.31 lakhs earned in Shiva Mills Limited, the Resulting Company, are not included.

Dividend

Your Directors are happy to recommend payment of dividend @ Rs.1.60/- per equity share of Rs.10/- each (equal to 16 % of the paid-up share capital). The dividend will be paid on 12962713 equity shares of Rs.10/- each, held by shareholders of your company who hold shares on the record date. The dividend together with distribution tax will absorb Rs.249.61 lakhs.

As the scheme of demerger takes retrospective effect from the appointed day, dividend @ Rs.1.60/- per equity share of Rs.10/- each (equal to 16% of the paid up capital) in respect of 8641808 equity shares to be allotted by the Resulting Company as per Scheme of Demerger, will be paid by Shiva Mills Limited, the resulting company as dividend distribution for the financial year 2016-17 out of profits of the said Company.

The dividend recommended by Board is based on overall post tax profits of the Demerged and Resulting Company.

SCHEME OF DEMERGER OF SPINNING UNIT-1 WITH CONNECTED WIND MILLS:

The National Company Law Tribunal (NCLT) vide their proceedings dated 24th August 2017 in Company Petition No.359 & 360 of 2016, renumbered as TCP/22 & 23/CAA/2017, approved the scheme for demerger of the business of Spinning Unit - 1 along with connected wind mills, in favour of Shiva Mills Limited (formerly known as STYL Ventures Limited), a wholly owned subsidiary of Shiva Texyarn Limited (Demerged Company). The demerger comes in to effect from 1st April 2015, the appointed day fixed under the Scheme. In the accounts of the Company for the financial year 2016-17 accounting effect has been given for the demerger, by exclusion of assets and liabilities, vested in the resulting company as on the appointed day and for subsequent transactions between your company and the Resulting Company carried out till 31st March 2017.

Re-Organisation of the Capital

As per the Scheme of Demerger the Share Capital of the De-merged Company will be reduced from Rs.21,60,45,210 divided into 2,16,04,521 equity shares of Rs.10/- each to Rs.12,96,27,130 divided into 1,29,62,713 equity shares of Rs 10/- each, through pro-rata reduction of shareholding of the shareholders in the Demerged Company, retaining 3 equity shares of Rs.10 each out of every 5 equity shares of Rs.10/- each held in the Demerged Company, on the Record Date of 6.11.2017. The said shares will not be available for trading from 3.11.2017 till the trading permission is obtained for the said shares post the re-organisation.

Allotment of Shares by the Resulting Company

Shiva Mills Limited, the Resulting Company will allot and issue to the shareholders of Shiva Texyarn Limited, 2 Equity shares of Rs.10/- each fully paid up for every 5 equity share of Rs.10/- each held by the shareholders on the record date. Accordingly 86,41,808 equity shares of Rs.10/- each will be allotted and issued by Shiva Mills Limited which will be adjusted from Demerger Adjustment Account and transferred to the Share Capital Account for reduction of Share Capital as per Scheme of Demerger.

The existing Equity share capital for an amount of Rs.5,00,000/- represented by 50,000 equity shares of Rs.10/- each held by Shiva Texyarn Limited in Shiva Mills Limited, will be cancelled and transferred to Demerger Adjustment Account, as per the Scheme of Demerger. Consequently Shiva Texyarn Limited will cease to be the Holding Company of Shiva Mills Limited. The balance amount in the Demerger Adjustment Account will be transferred and adjusted against General Reserve of Shiva Texyarn Limited.

REVIEW OF OPERATIONS:

Your Company, achieved the following performance from the business undertakings retained by the company as demerged company, as per Scheme of Demerger approved by the NCLT; hence to facilitate comparison, previous year figures given in brackets in the following paragraphs for review of performance pertain to the business undertakings retained by your company.

During the year under review, the spinning unit produced 12341.51 tonnes (12282.12 tonnes) of yarn, of which 2772.85 tonnes (1699.68 tonnes) was used to produce knitted fabrics. The spinning unit sold 9722.74 tonnes (10751.06 tonnes) of yarn out of which exports accounted for 2399.30 tonnes (3063.76 tonnes) and 2692.03 tonnes (1651.06 tonnes) of knitted fabrics. Further, during the year under review, the Company sold 3730.17 tonnes (3674.65 tonnes) of waste cotton, of which exports accounted for 770.2 tonnes (900.66 tonnes). The Wind Mills with aggregate installed capacity of 18.145 MW generated 277.68 lakh units of Wind Electricity as against 165.48 lakh units in the last year. The entire power generated by Wind Mills was utilized for captive consumption at the textile mill. Unlike in the earlier years, TANGEDCO was able to evacuate most of the wind energy generated by the Wind mills as a result of which the performance of the Windmills improved significantly during the year under review.

The performance of the Spinning Unit in terms of profitability was affected by steep fall in prices of yarn due to supply/demand mismatch in the second half of the year. However the significant improvement in Wind Electricity generated for captive use, helped the Company to achieve improved profit during the year under review.

The Company's Technical Textile divisions viz. Coating, Lamination and Processing have stabilized their operations and have contributed to the overall performance of the Company in a significant way. The Bag division operating under the brands Wulf and Wulf Pro is improving its market share gradually. The Company which started supplying Home Textiles to M/s Ikea Distribution services during last year has improved its performance during the year. Moreover the Company which obtained an order from the Ministry of Defence for supply of Nuclear Biological Chemical (NBC) suits shipped the first consignment during the year. The overall sales turnover of the Company from all divisions aggregated to Rs.37767.95 Lakhs (Rs.30019.99 Lakhs) of which exports including Merchant exports amounted to Rs.7697.47 Lakhs (Rs.7040.06 Lakhs), the exports contributing 20.38% (23.45%) of the overall sales of the Company.

PROSPECTS FOR THE CURRENT YEAR

The Spinning segment of Textile Industry continues to face mismatch of prices of yarn with reference to cost of raw material and other inputs. The prices of cotton is likely to remain low in the current season due to increase in domestic production. Hence with expected increase in demand for cotton yarn both in domestic and export markets, the performance of the Spinning unit is set to improve in the remaining part of the ensuing year.

The contribution from Technical Textile products is likely to improve significantly in the coming years as new markets are explored. The recently started divisions of Garments are also expected to contribute to the overall earnings and profits of the Company in the ensuing years and hence the overall performance of these divisions augur well for the Company in the years to come.

Considering the above, the overall performance of the Company as a whole is likely to be better in the years to come.

EVENT SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting the financial position of the Company, except transfer of assets and liabilities for giving effect to the order from National Company Law Tribunal, Division Bench, Chennai was recorded after Demerger pursuant to the Scheme of Arrangement to the close of the Financial Year.

PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review and there are no outstanding deposits which are pending for repayment.

CORPORATE GOVERNANCE

In line with requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company is committed to the principles of good Corporate Governance and continues to adhere good corporate governance practices consistently.

A separate section is given on Corporate Governance, Management Discussion and Analysis along with a certificate from the Auditors of the Company regarding compliance with conditions of Corporate Governance, as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March, 2017pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 which forms part of the report in Form MGT - 9 is enclosed as Annexure - I

DIRECTORS

With effect from 31.08.2017 Dr S V Kandasami & Smt Sujana Abirami were inducted into the Board, Sri S V Alagappan resigned as Managing Director however he continues to be Non- Executive Chairman and Sri S K Sundararaman was appointed as Managing Director of the Company.

Sri S V Alagappan, Director (DIN 00002450) is required to retire by rotation at the ensuing Annual General Meeting, he is eligible and seeks re-appointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

The Company has appointed the following persons as Key Managerial Personnel during the year.

Sri S K Sundararaman	Managing Director
Sri R Srinivasan	Company Secretary
Sri C Krishna Kumar	Chief Financial Officer

AUDIT COMMITTEE

The Audit Committee comprises of :

1. Sri K N V Ramani - Chairman (Non- Executive Independent Director)
2. Sri C S K Prabhu - Member (Non- Executive Independent Director)
3. Sri S K Sundararaman - Member (Executive Director) and
4. Sri S Palaniswami - Member (Non- Executive Independent Director)

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

EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting without participation of non Independent Directors and management considered and evaluated the Boards' performance, performance of the Chairman and Managing Director.

The Board has carried out an annual evaluation of its own performance and performance of the individual Directors as well as the Committees of Directors.

BOARD MEETINGS

During the year under review, four Board Meetings were conducted. The details of the same have been given in the Corporate Governance Report under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forming part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

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

a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully

b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year in the ordinary course of business were on arm's length basis. Hence provisions of Section 188 of the Companies Act, 2013 are not attracted. Further no materially significant related party transactions were made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Hence reporting under AOC-2 is not required. Approval of Audit Committee was obtained for transactions of repetitive nature on annual basis. All related party transactions were placed before the Audit Committee and Board of Directors for their review. The policy on Related Party Transactions is available in the website www.shivatex.co.in.

SUBSIDIARY

The Company has one subsidiary viz., Shiva Mills Limited (Formerly STYL Textile Ventures Limited). The statement pursuant to Section 129 (3) of the Companies Act, 2013 containing the salient features of the financial statements of subsidiary Company, forms part of this Annual Report.

A separate statement containing the salient features of the Financial Statements of the Subsidiary in Form AOC-1 is furnished :

AOC-1

Part "A" - Subsidiaries

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Subsidiary

Name of the Subsidiary	Shiva Mills Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
Reporting currency and exchange rate as on the last date of the relevant Financial Year in the case of Foreign subsidiaries	-
Share capital	5,00,000
Reserves and surplus	-
Total assets	12,67,189
Total liabilities	12,67,189
Investments	-
Turnover	-
Profit before taxation	-
Provision for taxation	-
Profit after taxation	-
Proposed Dividend	-
% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: Shiva Mills Limited (Formerly STYL Textile Ventures Limited), the Resulting Company under Demerger, whose operations are to be commenced on the appointed date.
2. Names of subsidiaries which have been liquidated or sold during the year: Nil
3. The Company does not have any Joint Venture and/or associate companies. Hence no reporting of the same in AOC-1 (Part - B) is made.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status and the Company's operation in future.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134 (5) of the Companies Act, 2013 your Directors confirm that :

a) Your Directors have followed in the preparation of the annual accounts, the applicable accounting standards with proper explanation relating to material departures;

b) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) Your Directors have prepared the annual accounts on a going concern basis;

e) Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) Your Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

As per Section 139 of the Companies Act, 2013 the tenure of the present Auditors of the Company M/s V K S Aiyer & Co, Chartered Accountants, Coimbatore, ends at the conclusion of this annual general meeting. The Board based on the recommendation of the Audit Committee have proposed the appointment of M/s Deloittee, Haskin & Sells LLP as Auditors for a term of 5 years and a suitable resolution as set out in the notice is being placed before the shareholders for their approval.

SECRETARIAL AUDIT

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

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

COST AUDITOR

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014 as amended from time to time, the Board of Directors, on the recommendation of Audit Committee, have appointed Sri M Nagarajan, Cost Accountant, Coimbatore as Cost Auditor to conduct Cost Audit of the Company for the financial year 2017 - 2018 with remuneration. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening Annual General Meeting.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

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

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

STATEMENT ON RISK MANAGEMENT POLICY

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee (CSR), which shall recommend to the Board, the activities to be undertaken by the Company as specified in schedule VII, recommend the amount of expenditure to be incurred on such activities and monitor the CSR policy of the Company. The company has partially spent the amount stipulated under the requirements of the Act.

Corporate Social Responsibility Committee constituted by the Board with effect from 21.5.2014, comprised of the following Directors.

1.	Sri S V Alagappan	-	Chairman
2.	Sri S K Sundararaman	-	Managing Director
3.	Dr K R Thillainathan	-	Independent Director

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

STATUTORY DISCLOSURES

I. **Conservation of Energy and others -** The particulars required to be included in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2017 relating to Conservation of Energy, etc., is enclosed as **Annexure IV.**

II. **Remuneration of Directors and other details -**The information required under Section 197(12) of the Companies Act, 2013 read with Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2017 is provided as **Annexure V** to this report.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints for sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaints for disposal during the year.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the timely assistance and help extended by the Bankers for having provided the required bank facilities. Your Directors wish to place on record their appreciation of the contributions made by the employees at all levels for the continued good performance of your company.

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

Coimbatore
1st November, 2017

ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	:	L65921TZ1980PLC000945
ii)	Registration Date	:	28.5.1980
iii)	Name of the Company	:	Shiva Texyarn Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by Shares/Indian Non - Government Company
v)	Address of the Registered office and contact details	:	252, Mettupalayam Road, Coimbatore, Tamilnadu - 641 043. Ph : 0422 2435555 e-mail : shares@shivatex.co.in
vi)	Whether listed company (Yes / No)	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	S K D C Consultants Limited Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road Ganapathy, Coimbatore, Tamilnadu - 641 006 Ph : 0422 - 4958995 E-mail : info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Cotton Yarn	13111	50.83%
2	Grey Fabric	13911	15.12%
3	Laminated Fabric	13999	15.50%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl No	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Shiva Mills Limited (Formerly STYL Textile Ventures Limited) 252, Mettupalayam Road, Coimbatore - 641 043	U17111TZ2015PLC022007	Subsidiary	100%	2 (87)

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

i) Category-wise Share Holding

S No	Category of shareholders	No. of shares held at the beginning of the year (As on 31-3-2016)				No. of shares held at the end of the year (As on 31-3-2017)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	**Promoters**									
1)	**Indian**									
	a) Individual/ HUF	597350	0	597350	2.77	597350	0	597350	2.77	0
	b) Central Govt.	0	0	0	0	0	0	0	0	0
	c) State Govt(s)	0	0	0	0	0	0	0	0	0
	d) Bodies Corp.	15592444	0	15592444	72.17	15592444	0	15592444	72.17	0
	e) Banks / FI	0	0	0	0	0	0	0	0	0
	f) Any other	0	0	0	0	0	0	0	0	0
	Sub -total (A) (1) :-	16189794	**0**	16189794	74.94	16189794	**0**	16189794	74.94	**0**
2)	**Foreign**									
	a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
	b) Other - Individuals	0	0	0	0	0	0	0	0	0
	c) Bodies Corp	0	0	0	0	0	0	0	0	0
	d) Banks/FI	0	0	0	0	0	0	0	0	0
	e) Any other	0	0	0	0	0	0	0	0	0
	Sub-total (A) (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total shareholding of promoter (A) =(A)(1)+(A)(2)	**16189794**	**0**	**16189794**	**74.94**	**16189794**	**0**	**16189794**	**74.94**	**0**
B.	**Public Shareholding**									
1.	**Institutions**									
	a) Mutual Funds	0	0	0	0	3824	0	3824	0.02	0.02
	b) Banks / FI	100	1100	1200	0.01	100	1100	1200	0.01	0
	c) Central Govt	0	0	0	0	0	0	0	0	0
	d) State Govt(s)	0	0	0	0	0	0	0	0	0
	e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	0	0	0	0	0	0	0	0	0
	g) FIIs	0	0	0	0	0	0	0	0	0
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	I) Others (specify)	0	0	0	0	0	0	0	0	0
	Sub-total (B)(1):-	**100**	**1100**	**1200**	**0.01**	**3924**	**1100**	**5024**	**0.02**	**0.02**
2.	**Non-Institutions**									
a)	Bodies Corp.									
	I) Indian	394693	8400	403093	1.87	144990	8400	153390	0.71	-1.16
	ii) Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2470988	1047018	3518006	16.28	2548299	1004941	3553240	16.45	0.16
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1213222	11250	1224472	5.67	1219035	11250	1230285	5.70	0.03
c)	Other (specify)									
	Director & Their relatives	3283	1400	4683	0.02	3283	1400	4683	0.02	0.00
	Non Resident Indians	65915	300	66215	0.31	204449	300	204749	0.95	0.64
	Clearing Members	38152	0	38152	0.18	40509	0	40509	0.19	0.01
	Hindu undivided Families	158906	0	158906	0.74	222847	0	222847	1.03	0.30
	Sub-total (B)(2):-	4345159	1068368	5413527	25.06	4383412	1026291	5409703	25.04	-0.02
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	4345259	1069468	5414727	25.06	4387336	1027391	5414727	25.06	0.00
c)	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	20535053	1069468	21604521	100.00	20577130	1027391	21604521	100.00	0.00

ii) Shareholding of Promoter

S No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	S V Alagappan	54450	0.25	-	54450	0.25	-	-
2	S V Kandasami	508250	2.35	-	508250	2.35	-	-
3	S K Sundararaman	900	0.00	-	900	0.00	-	-
4	A Shenbagam	8700	0.04	-	8700	0.04	-	-
5	K Leelavathi	4500	0.02	-	4500	0.02	-	-
6	A Lalitha	1350	0.01	-	1350	0.01	-	-
7	Annamallai Retreading Company Private Limited	5083577	23.53	-	5083577	23.53	-	-
8	S V Kandasami	19200	0.09	-	19200	0.09	-	-
9	Vedanayagam Hospital Limited	10110667	46.80	-	10508867	48.64	-	1.84
10	Anamallais Agencies Private Limited	398200	1.84	-	-	-	-	(1.84)
	Total	**16189794**	**74.94**	**-**	**16189794**	**74.94**	**-**	**-**

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

S No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	16189794	74.94	16189794	74.94
2	Date wise increase / decrease in promoters share-holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	No Change			
3	At the end of the year	**16189794**	**74.94**	**16189794**	**74.94**

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

S No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sangeetha S	226690	1.05	201930	0.94
2	Shetty. K.J.M.MR	157542	0.73	157542	0.73
3	Shetty K J M	12600	0.06	12600	0.06
4	K J M Shetty	2900	0.01	2900	0.01
5	Sharekhan Limited	80933	0.30	5462	0.02

S No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Kalpvriksh Capital Advisors Private Ltd	59613	0.28	250	0.00
7	Tirumala Rao Nimmagadda	28202	0.13	46822	0.22
8	N Tirumala Rao	27570	0.13	27570	0.13
9	Anant Jain	53000	0.25	55784	0.26
10	Selvam.k.a	51015	0.24	51015	0.24
11	Shirish Joshi	48000	0.22	41056	0.19
12	Navin Sood	21600	0.10	0	0.00
13	Naveen Sood	18400	0.09	0	0.00
14	Sabita Shetty Mrs	38000	0.18	38000	0.18
15	Deepa Janak Parekh	0	0.00	41000	0.19
16	Hemchand Kuvarji Dedhia	0	0.00	36900	0.17
17	Manoj Vrajlal Dalal	0	0.00	32900	0.15

v) Shareholding of Directors and Key Managerial Personnel :

S No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Sri S V Alagappan, Managing Director**				
	At the beginning of the year	54450	0.25	54450	0.25
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	54450	0.25	54450	0.25
2	**Sri S V Arumugam, Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

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

S No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	**Sri S K Sundararaman, Executive Director**				
	At the beginning of the year	900	0.00	900	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	900	0.00	900	0.00
4	**Smt A Lalitha, Director**				
	At the beginning of the year	1350	0.01	1350	0.01
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	1350	0.01	1350	0.01
5	**Sri K N V Ramani, Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
6	**Sri C S K Prabhu, Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

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

S No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	**Dr K R Thillainathan, Director**				
	At the beginning of the year	300	0.00	300	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	300	0.00	300	0.00
8	**Sri S Palaniswami, Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
9	**Sri S Marusamy, Director**				
	At the beginning of the year	4383	0.02	4383	0.02
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	4383	0.02	4383	0.02
10	**Sri C Krishnakumar, Chief Financial Officer**				
	At the beginning of the year	450	0.00	450	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	450	0.00	450	0.00

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

S No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	**Smt M Shyamala , Company Secretary**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

V) INDEBTEDNESS

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

₹ in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18427.57	115.00	-	18542.57
ii) Interest due but not paid	91.27	-	-	91.27
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	18518.84	115.00	-	18633.84
Change in Indebtedness during the financial year				
* Addition	1622.41	-	-	1622.41
* Reduction	3560.87	-	-	3560.87
Net Change	1938.46	-	-	1938.46
Indebtedness at the end of the financial year				
i) Principal Amount	16489.11	115.00	-	16604.11
ii) Interest due but not paid	55.55	-		55.55
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**16544.66**	**115.00**		**16659.66**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : (in ₹)

S No	Particulars of remuneration	Name of MD / WTD / Manager	Total Amount
		Sri S K Sundararaman Executive Director	
1	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	36,00,000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	24,00,000	24,00,000
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	4,32,000	4,32,000
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	66,40,551	66,40,551
	- others, specify…		
5	Others, please specify	-	-
	Total (A)	**1,30,72,551**	**1,30,72,551**
	Ceiling as per the Act	**1,30,72,551**	**1,30,72,551**

B. Remuneration to other Directors : (in ₹)

S No	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Sri K N V Ramani	Sri C S K Prabhu	Sri S Palaniswami	Dr K R Thillainathan	Sri S Marusamy	
	Fee for attending Board / Committee Meetings	40,000	35,000	35,000	25,000	30,000	**1,65,000**
	Commission	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	
	Total (1)	**40,000**	**35,000**	**35,000**	**25,000**	**30,000**	**1,65,000**
2	Other Non-Executive Directors	Sri S V Arumugam	Smt A Lalitha				
	Fee for attending Board committee meetings	20,000	-	-	-	-	**20,000**
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	**-**
	Total (2)	**20,000**	**-**	**-**	**-**	**-**	**20,000**
	Total (B)=(1+2)	**60,000**	**35,000**	**35,000**	**25,000**	**30,000**	**1,85,000**
	Total Managerial Remuneration	-	-	-	-	-	**-**
	Overall Ceiling as per the Act	Not Applicable					

C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD

(in ₹)

S No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
		Mrs M Shyamala	Sri C Krishnakumar	
1	Gross salary	7,31,895	10,21,682	17,53,577
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total	**7,31,895**	**10,21,682**	**17,53,577**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Coimbatore
1st November, 2017

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

ANNEXURE II

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
Shiva Texyarn Limited
CIN : L65921TZ1980PLC000945
252 Mettupalayam Road, Coimbatore 641 043

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shiva Texyarn Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Shiva Texyarn Limited ("The Company") for the financial year ended on 31st March 2017) ('Audit Period') according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder and applicable provisions of the Companies Act 1956;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011;

   b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period)

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the Audit Period)

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

vi. The following other laws specifically applicable to the company :

a. Additional Duties of Excise (Textiles and Textile Articles) Act, 1978

b. Textile Committee Act, 1963

c. Textiles (Development and Regulation) order, 2001

d. Textiles (Consumer Protection) Regulation, 1985

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

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

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

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

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

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

I further report that, during the audit period:

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

Coimbatore
1st November, 2017

R DHANASEKARAN
Company Secretary in Parctice
FCS 7070 / CP 7745

ANNEXURE III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
   CSR Policy - Approved by the Board of Directors and applicable from 14.8.2014
   Present Activities:
   - Shiva Texyarn adopts Government Schools located around factory and support construction of class rooms, water tanks, laboratory and other basic amenities to students. Provide teachers to the schools adopted by the Company.
   - To provide Education facility to economically backward people.
   - To provide Computer Training and organize Skill development Program to Students and Teachers.
   - Weblink : www.shivatex.co.in
2. Composition of CSR Committee

Name of the member		Designation
Sri S V Alagappan	-	Chairman
Sri S K Sundararaman	-	Executive Director
Dr K R Thillainathan	-	Independent Director

3. Average net profit of the Company for last 3 financial years : ₹ 13,53,40,751/-
4. Prescribed CSR expenditure : ₹ 27,06,815/-
   (2% of the amount as in item 3 above)
5. Details of CSR spend during the financial year
   a) Total amount to be spent for the financial year : ₹ 10,32,500/-
   b) Amount unspent, if any : ₹ 16,74,315/-
   c) Manner in which the amount spent during the financial year is detailed below : (in ₹)

S No	Projects/ Activities	Sector	Project / program locations	Amount outlay (budget) project/ programwise	Amount spent on the project/ program	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Drinking Water	Village	Kodangipalayam	1,22,500	1,22,500	1,22,500	Direct
2	Coimbatore cancer foundation			500000	500000	500000	Direct
3	Health camp			100000	100000	100000	Direct
4	Police boys club			310000	310000	310000	Direct

Reason for not spending

Some of the project which were to be executed with the participation of Government could not be initiated for want of required approval.

Responsibility Statement of the CSR Committee

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

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

Coimbatore
1st November, 2017

ANNEXURE - IV

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

The information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2017is given here below and forms part of the Directors' Report.

A) CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy;

- Spinning VXL PN waste collection motor 7.5kW eliminated with suction pipe line modification.
- Humidification Plant Optimization work
- Street Light conversion 10 Nos Changed to LED from Sodium Vapour lamp
- Link Coner machine suction arm sand paper changed for energy saving purpose.
- PLC Conversion for Bale press Hydralic Motor 15kW for Energy saving Purpose.
- Tube lights were replaced by LED in Preparatory department
- FOG Nozzle to be provided in spinning department & Improve RH % .
- 2 Nos Energy Saving Impeller changed in spinning OHTC Fan Motor
- All Carding Machines flats gear motor over load to be avoid for proper replacing of oil seal.
- B/R BRFD Motor suction level to be optimized for energy saving purpose.
- Link Coner Air leakage to be arrested with replacements of new spares
- Link Coner Air leakage to be arrested with replacements of new spares
- Reduces the compressor air Pressue 0.5 Kg & provided the online monitoring meter in Compressor incoming pipe line.

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

- The company utilized solar energy for water heating.
- The Wind Electricity produced by the Wind Mills owned by the Company is captively consumed.

iii) Capital investment on energy conservation equipment;

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

B) TECHNOLOGY ABSORPTION

i) the efforts made towards technology absorption;

Provision of individual energy meter in spinning machines for measuring energy consumption.

Digital air pressure meter provision in receiver tank for on line pressure monitoring purpose.

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

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

iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : Not applicable.

iv) the Company has incurred an expenditure of ₹ 1.37 lakhs towards Research and Development.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review foreign exchange earnings were ₹ 8266.28 lakhs (previous year ₹ 9202.56 lakhs). Foreign exchange outgo was ₹ 2603.00 lakhs (previous year ₹ 4057.03 lakhs)

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

Coimbatore
1st November, 2017

ANNEXURE V

Disclosure in the Board's Report

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

i) The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial year 2016 -17.

Director's Name	Ratio
Sri S K Sundararaman, Managing Director	90.78 : 1

ii) The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the Financial year 2016-17 compared to 2015 -16 means part of the year.

Director's Name/CS/CFO	% increase in remuneration
Sri S K Sundararaman, Managing Director	70.29
Smt M Shyamala (CS)	22.72
Sri C Krishnakumar (CFO)	17.73

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

iii)	Percentage increase in the median remuneration of employees in the Financial Year 2016-17	24.14%
iv)	Number of permanent employees on the rolls of the Company	1176
v)	Explanation on the relationship between average increase in remuneration and the Company performance	The relationship between average increase in remuneration and the Company's performance are determined in the normal course of business and in line with the Standards & norms of the Industry.

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

Sl. No.	Name (Age in years)	Designation	Gross Remuneration Paid (in ₹)	Qualification	Date of commencement of employment (experience in years)	Previous Employment
1	Naveen Sodhi - (63)	Vice President	2700000	MSc, MPhil	16.05.2013 4 Yrs	Indian Army
2	M Senthil Kumar- (39)	Vice President	2312815	BE	01.11.2015 2 Yrs	Alps Industries Ltd
3	V Raghu Ram Varma (43)	National Sales Manager	1909355	MBA	03.08.2015 2 Yrs	Piramal Enterprises
4	P Baskar - (52)	G M Operation	1276531	DTT	01.01.1989 28 Yrs	Bannariamman Group
5	Srijain.p (43)	General Manager Prdouction & Marketing	1150000	BCom, DFD	15.04.2016 1 Yr	Perry Ews Hongkong
6	C Krishnakumar - (39)	Chief Financial Officer	1021682	MCom, FCA, ACS	01.06.2012 5 Yrs	Sabare International Ltd
7	S Sengottaiyan (65)	DGM Accounts	1018173	BA	28.08.1985 32 Yrs	Tarapure & Co, Madras
8	T Manoharan-(50)	AGM (operation)	981755	BTech	20.10.2008 9 Yrs	Vijayashree Textiles
9	K Venurajagopal (52)	DGM HR	958700	MA,BL	28.08.1991 26 Yrs	Shiva Texyarn Limited
10	M Shyamala (35)	Company Secretary	731895	ACS	18.01.2010 7 Yrs	-

vii) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the Performance of the Company

KMP's remuneration 2016-17 (₹ in lakhs)	% increase / (Decrease) in KMPs remuneration (2016-17 against 2015-16)	Sales 2016-17 (₹ in lakhs)	% increase in sales (2016-17 against 2015-16)
148.26	62.20	37,793	(14.57)

viii) Variation in Market Capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of list companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year :

Particulars	As on 31.3.2017	As on 31.3.2016	Variations	%
Market Capitalization (₹ crores)	784.46	220.58	563.88	255.64
Price Earnings Ratio	44.72	20.34	24.38	119.86

Market quotation of the shares as on 31.3.2017 (NSE)	₹ 363.10/- per share of face value ₹10/- per share
Market quotations of the shares when the Company came out with the last public offer	Rights issue in 1995 at a price of ₹ 32/- per share of Face Value of ₹ 10/- each
Percentage increase/decrease in the market quotations of the Company	31.3.2016 - (+) 219.06% 31.3.2017 - (+) 255.63%

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

The average percentile increase granted to employees other than managerial personnel is 24.14%

The percentile increase granted to managerial personnel is Nil

x) Comparison of each remuneration of the Key Managerial Personal against performance of the Company

(₹ in Lakhs)

Particulars	MD	CS	CFO
Remuneration	130.73	7.32	10.22
Revenue	37793.34	37793.34	37793.34
Remuneration (as % of revenue)	0.35	0.02	0.03
Profit after tax (PAT)	1053.09	1053.09	1053.09
Remuneration (as % of PAT)	12.41	0.69	0.97

xi) Key parameter for any variable component of remuneration availed by the Directors — The Directors are not eligible for any variable compensation other than Commission payable to Managing Director

xii) Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess the highest paid director during the year — Since the remuneration of the highest paid employee is not in excess of the highest paid Director it is not applicable

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

The statement of employees receiving remuneration not less than five lakh rupees per month :

Name	:	S K Sundararaman
Age	:	44
Designation	:	Managing Director
Nature of Duties	:	Manage the day to day affairs of the Company subject to the superintendence and control of Board of Director
Remuneration (₹ in lakhs)	:	130.72
Qualification & Experience (years)	:	MBA and more than 17 years of experience in Textiles/Business
Date of commencement of employment	:	15.5.2006
Last employment	:	Bannari Amman Spinning Mills Limited

None of the employees listed in the said Annexure is relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

During the Financial Year 2017, the Company has 1176 employees.

Remuneration details of Sri S V Alagappan, who was holding the position of Chairman & Managing Director upto 31.08.2017 is furnished in the relevant places of the Annual Report of the Shiva Mills Limited i.e. Subsidiary Company.

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

Coimbatore
1st November, 2017

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

BOARD OF DIRECTORS

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

During the financial year, 4 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 25.5.2016, 11.8.2016, 11.11.2016 and 14.2.2017.

The Board is given all material information which are incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meetings.

Details of attendance of each Director at the Board Meetings and at the last Annual General Meeting held on 28.9.2016 :

Name of the Director	Category	Number of Directorships held in other Companies*	Number of Board Committee Membership held in other Companies**		No. of Board Meetings Attended	Last AGM Attended Yes / No.
			Chairman	Member		
1. Sri S V Alagappan@	Non-Executive	2	-	-	4	Yes
2. Sri S V Arumugam	Non-Executive	6	-	1	4	Yes
3. Dr S V Kandasami#	Non-Executive	2	-	-	-	-
4. Sri S K Sundararaman	Executive	3	-	-	4	Yes
5. Smt Sujana Abirami#	Non-Executive	-	-	-	-	-
6. Smt A Lalitha##	Non-Executive	1	-	-	2	Yes
7. Sri K N V Ramani	Non-Executive - Independent	5	1	3	3	Yes
8. Sri C S K Prabhu	Non-Executive - Independent	2	5	1	3	Yes
9. Dr K R Thillainathan	Non-Executive - Independent	1	-	-	4	Yes
10. Sri S Palaniswami	Non-Executive - Independent	1	-	2	4	Yes
11. Sri S Marusamy	Non-Executive - Independent	1	-	-	4	Yes

Directors under Sl.No 1 ,2 and 3 are related and Director 4 is related to Director 5. Director 3, 4 & 5 of related to each other.

@ Re-designated as non-executive Chairman and resigned from the position of Managing Director w.e.f. 31.08.2017.

Appointed w.e.f. 31.08.2017. ## Resigned w.e.f. 31.08.2017.

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

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

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

FAMILIARISATION PROGRAMME

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

CODE OF CONDUCT

The Company has adopted the Code of conduct for all Board Members and Senior Management as required under Clause 49 of the Listing Agreement. The Code is posted on the Company's website at www.shivatex.co.in. All Board Members and Senior Management Personnel have affirmed compliance with the code on an annual basis and a declaration to this effect signed by the Chairman is attached to this report.

AUDIT COMMITTEE

The Audit Committee consists of the following 4 Directors, of whom 3 are independent. During the financial year the Audit Committee met 4 times on 20.5.2015, 10.8.2016, 9.11.2016 and 11.2.2017 and the attendance of each member is furnished below :

Name of the Member	Category	No of Meetings Attended
Sri K N V Ramani	Chairman & Independent Director	4
Sri S K Sundararaman	Executive Director	3
Sri C S K Prabhu	Independent Director	3
Sri S Palaniswami	Independent Director	3

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

The terms of reference of the Audit Committee are as set out in Regulation 18 (3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter-alia includes the following :

a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to :

   i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.

   ii) Changes, if any, in accounting policies and practices and reasons for the same.

   iii) Major accounting entries involving estimates based on the exercise of judgment by management.

   iv) Significant adjustments made in the financial statements arising out of audit findings.

   v) Compliance with listing and other legal requirements relating to financial statements.

   vi) Disclosure of any related party transactions.

   vii) Qualifications in the draft audit report.

e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) Discussion with internal auditors of any significant findings and follow up there on;

o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) To review the functioning of the Whistle Blower mechanism;

s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;

t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

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

Name of the Directors	Position
Sri C S K Prabhu	Chairman & Independent Director
Sri S Palaniswami	Independent Director
Dr K R Thillainathan	Independent Director

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

a) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and also recommend to the Board a Policy relating to the Remuneration of Directors, Key Managerial Personnels and other employees.

b) Formulating the policy for determining qualification, positive attributes and independence of a Director.

c) To formulate criteria for evaluation of Independent Directors and the Board.

d) To devise a policy on Board diversity.

Remuneration Policy

The Nomination and Remuneration Committee has adopted a charter which, inter alia, deals with the manner of selection of Board of Directors/Key Managerial Personnels/Senior Managerial Personnels. The policy is accordingly derived from the said Charter. The policy on remuneration is available in the following weblink : www.shivatex.co.in

Evaluation criteria

The Nomination and Remuneration Committee has formulated the methodology and criteria to evaluate the performance of the Board and each Director. The evaluation of the performance of the Board and its committees are evaluated through a questionnaire circulated to all directors and based upon the response to the questionnaire, the directors do a self evaluation of their performance. Accordingly Board reviewed the performance of each of the directors and expressed their satisfaction.

The performance evaluation of the Chairman and the Managing Director was carried out separately by the Independent Directors. The Independent Directors expressed their satisfaction on the performance of the Chairman and the Managing Director.

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

Name	Managing Director	Remuneration Received (in ₹)
Sri S K Sundararaman#	Managing Director	1,30,72,551/-

Appointed as Managing Director w.e.f. 31.08.2017

Remuneration paid to Directors :

All the Non-Executive Directors are paid a sitting fee of Rs.5,000/- for each Board Meeting attended by them. The members of Audit Committee are also paid a sitting fee of Rs.5,000/- for each committee meeting attended by them.

Meeting of Independent Directors

During the year under review, the Independent Directors met on 31.03.2017 for the following purposes :

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

All the Independent Directors were present at the meeting.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee which shall recommend to the Board, the activities to be undertaken by the Company as specified in Schedule VII, recommend the amount of expenditure to be incurred on such activities and monitor the CSR policy of the Company. The company has partially spent the amount stipulated under the requirements of the Act. Corporate Social Responsibility Committee constituted consisting of the following Directors with effect from 21.5.2014.

1. Sri S V Alagappan - Chairman
2. Sri S K Sundararaman - Executive Director
3. Dr K R Thillainathan - Independent Director

RELATED PARTY TRANSACTIONS

The Company has adopted policy on dealing with Related Parties. The same is disclosed in the website of the Company and is available in the following weblink: www.shivatex.co.in

RISK MANAGEMENT COMMITTEE

Risk Management Committee constituted with effect from 14.11.2014, consists of following members they are specifically engaged with implementing, monitoring the risk management plan of the Company and other related functions.

1. Sri S K Sundararaman - Executive Director
2. Sri S Palaniswami - Independent Director
3. Sri C Krishnakumar - Chief Financial Officer

WHISTLE BLOWER MECHANISM

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

SHAREHOLDING OF NON EXECUTIVE DIRECTORS AS ON 31.3.2017

Name of the Director	No. of Shares held
Sri S V Arumugam	Nil
Smt A Lalitha	1350
Sri K N V Ramani	Nil
Sri C S K Prabhu	Nil
Dr K R Thillainathan	300
Sri S Palaniswami	Nil
Sri S Marusamy	4383

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was formed to specifically look into shareholders/investors complaints, if any, on transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend, etc., and also the action taken by the Company on those matters. During the financial year the Committee met 4 times and the attendance of each member is furnished below :

The Stakeholders Relationship Committee consists of :

Name of the Member	Category	No. of Meetings Attended
Sri S Palaniswami	Chairman	4
Sri S V Arumugam	Member	4

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

The Company has received one complaint from the Investors for redressal and that was duly resolved to the satisfaction of the shareholder during the year and there was no complaint pending at the beginning of the year for redressal. No share transfer was pending as on 31.3.2017.

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

Unclaimed Shares	No. of Shareholders	No. of shares
Outstanding at the beginning of the year	13	3200
Approached for transfer during the year	Nil	Nil
Transferred to the shareholder during the year	Nil	Nil
Balance at the end of the year	13	3200

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

CEO & CFO CERTIFICATION

The Managing Director and Chief Financial Officer have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as prescribed under Regulation17 (8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Board took the same on record.

INSIDER TRADING

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

GENERAL BODY MEETING

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

AGM	Date & Time	Special Resolutions passed	Voting Pattern
33rd	25.8.2014 10.15 A.M.	Limits of Borrowing u/s 180(1)(c) of the Companies Act, 2013*	Total Votes polled:1,62,00,628 Votes polled for: 1,62,00,228 Votes against:400 Neutral: Nil
		Providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company*	Total Votes polled:1,62,00,628 Votes polled for: 1,62,00,628 Votes against: Nil Neutral: Nil
		Section 188 (1) (f) of the Companies Act, 2013, for increase in Remuneration payable to Smt A Lalitha*	Total Votes polled:1,10,52,551 Votes polled for: 1,10,52,151 Votes against:400 Neutral: Nil
34th	28.9.2015 10.15 A.M.	Appointment of Sri S V Alagappan as Managing Director for a period of 5 years w.e.f 27.6.2016 and payment of Remuneration u/s 196, 197, 198, 199 and 203	Total Votes polled:1,64,25,365 Votes polled for: 1,64,25,265 Votes against: 100 Neutral: Nil
		Increase in remuneration payable to Sri S K Sundararaman, Executive Director w.e.f 1.6.2015 u/s 196, 197, 198, 199 and 203	Total Votes polled:1,64,25,365 Votes polled for: 1,64,25,125 Votes against:240 Neutral: Nil
		Amendment to Article 99.a) and Deletion of Article 104 of the Articles of Association of the Company.	Total Votes polled:1,64,25,365 Votes polled for: 1,64,25,265 Votes against:100 Neutral: Nil
35th	28.9.2016 10.15 A.M.	No Special Resolution was passed	—

As per the procedure laid down under Section 108 of the Companies Act, 2013 the Company conducted Postal Ballot, apart from e-voting facility and voting at the venue of the meeting, in respect of the * items mentioned above.

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

There is no Special Resolution proposed for approval of shareholders through Postal Ballot in the forthcoming Annual General Meeting.

DISCLOSURES

- The Company has not entered into any transaction of a material nature with the related parties having potential conflict with the interest of the Company.
- There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.
- The Company has a Whistle Blower Policy in place and no personnel has been denied access to the Audit Committee relating to Whistle Blower Policy and
- The Company has complied with all the mandatory requirements of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of Non-mandatory requirements the company has complied all the conditions except the suggestion relating to appointment of separate persons to the post of Chairman and Managing Director/CEO.

MEANS OF COMMUNICATION

i) The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in English and Tamil Newspapers. The results were also displayed in company's website www.shivatex.co.in.

ii) The Management Discussion and Analysis forms part of the Annual Report.

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day and Date	:	Monday and 25.12.2017
Time	:	9.15 A.M.
Venue	:	Nani Kalaiarangam Mani Higher Secondary School Pappanaickenpalaym Coimbatore - 641 037

Financial Calendar

Results Announced	:	01.11.2017
Posting of Annual Report	:	On or before 01.12.2017
Last date of receipt of Proxy forms	:	23.12.2017
Dividend payment date	:	On or before 24.01.2018
Announcement of Quarterly Results	:	i) During first/second week of August and November 2017. February and May 2018 or as stipulated by SEBI from time to time. ii) The financial results are displayed on the website of the Company www.shivatex.co.in.com

Date of Book Closure for the purpose of Dividend and Annual General Meeting

19.12.2017 to 25.12.2017 (both days inclusive)

Share Price Movement

The high and low quotations of the Company's shares on the National Stock Exchange of India Limited together with Nifty from April 2016 to March 2017 were :

MONTH	SHARE PRICE				NSE - NIFTY		BSE - SENSEX	
	NSE (Rs. Ps.)		BSE (Rs. Ps.)					
	High	Low	High	Low	High	Low	High	Low
April 2016	118.75	103.00	118.50	102.90	7992.00	7516.85	26100.54	24523.20
May	107.80	85.00	107.80	85.50	8213.60	7678.35	26837.20	25057.93
June	157.50	87.00	157.00	86.70	8308.15	7927.05	27105.41	25911.33
July	162.70	138.10	162.90	138.00	8674.70	8287.55	28240.20	27034.14
August	152.70	129.00	151.00	130.00	8819.20	8518.15	28532.25	27627.97
September	189.80	132.00	188.80	132.00	8968.70	8555.20	29077.28	27716.78
October	238.00	176.00	237.90	176.50	8806.95	8506.15	28477.65	27488.30
November	262.80	201.05	260.25	203.50	8669.60	7916.40	28029.80	25717.93
December	256.40	218.00	255.95	220.00	8274.95	7893.80	26803.76	25753.74
January 2017	288.85	229.50	289.00	231.05	8672.70	8133.80	27980.39	26447.06
February	340.00	262.00	340.00	262.90	8982.15	8537.50	29065.31	27590.10
March	367.05	302.00	368.65	301.00	9218.40	8860.10	29824.62	28716.21

Based on the closing quotation of ₹ 363.10 Crores as at 31.3.2017 at National Stock Exchange of India Limited, Mumbai, the market capitalization of the Company was ₹ 784.46 Crores.

SHARE DETAILS

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

Exchanges	Stock Code
BSE Limited, Mumbai Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	511108
National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex Bandra (E) Mumbai 400 051	SHIVTEX

The Company has paid Annual listing fees for the year 2017 - 2018.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

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

DEMATERIALISATION OF SHARES

The shares of the Company are in compulsory demat segment. The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Members have option to hold their shares in demat form (i.e electronic mode) either through the NSDL or CDSL. As on 31-3-2017, 95.05% of the shares of the Company have been dematerialized. ISIN allotted to our company is INE705C01012. The whole of the Promoters Shareholding has been Dematerialised.

SHARE TRANSFER AGENTS

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

Share Transfer documents, non Receipt of share certificates sent for transfer, nomination forms and change of address may directly be sent to the above address.

SHARE TRANSFER SYSTEM

The Share Transfers in physical form are registered and returned within 30 days from the date of receipt if the documents are in order. The share transfers are approved by the Share Transfer Committee who usually meets twice in a month.

SHAREHOLDING PATTERN AS ON 31.3.2017

Category	No of Shares Held	Percentage of Shareholding
Promoter's Holding	1,61,89,794	74.94
Banks/FIs/Mutual Funds	5,024	0.02
Private Corporate Bodies	1,53,390	0.71
Indian Public	52,09,978	23.38
NRI/OCBs	2,04,749	0.95
TOTAL	2,16,04,521	100.00

PLANT LOCATION

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

Bag Unit	Knitting Unit	Garment Division
S.F No. 371/5, Karadivavi Road Paruvai Post, Karanampet, Palladam 641 658	Kodangipalayam Village Karadivavi Road, Paruvai Post Coimbatore District Tamilnadu	S.F No. 371/5, Karadivavi Road Paruvai Post, Karanampet, Palladam 641 658

Windmills		
Munduvelampatti Village Erode District Tamilnadu	Gudimangalam Athukinathupatti & Uthukuli Villages Coimbatore District, Tamilnadu	Vagatholubu Kongalnagaram Virugalpatti, Tirupur Dt. TN

ADDRESS FOR CORRESPONDENCE

Non-receipt of dividend, Registration of Power of Attorney, status change, transmission, consolidation, split and other queries may directly be sent to the following address :

The Company Secretary

Shiva Texyarn Limited, Regd Office: 252, Mettupalayam Road, Coimbatore 641 043 Tamilnadu

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

Coimbatore
1st November, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S BUSINESS

The Company's principal line of business is manufacturing and marketing of Cotton Yarn and Technical Textile products viz. Coated & Laminated fabrics, Home Textile and other value added products. The Company has a spinning unit near Coimbatore with an installed capacity of 52416 spindles, 58 Windmills with an installed capacity of 18.145 MW, Lamination, Coating and Garment units near Coimbatore and Processing unit at SIPCOT, Perundurai.

INDUSTRY STRUCTURE AND DEVELOPMENTS

India's textile industry has made a major contribution to the nation's economy in terms of net foreign exchange earnings and contribution to Gross domestic product. Textile's share in nation's GDP is about 6% and about 13% in exports. The Indian Textiles Industry currently estimated at around USD 108 billion is expected to reach USD 350 billion by 2025. Thus the growth and all round development of this Industry has a direct bearing on the improvement of the economy of the Country.

OPPORTUNITIES

Though India has become the second largest exporter of textiles and garments, its share in the global trade is approximately 5% only as compared to China with 39% share of the trade. Countries like Bangladesh, Pakistan and Vietnam have shown remarkable success. The slowdown in Chinese economy has rendered cost of textile production in China high as a result of which Chinese manufacturers have lost competitive advantage in the last few quarters. This has offered an opportunity for India's textile sector to grab market share in developed markets.

Strong raw material base, economized cost of production, supporting Government policies like TUF scheme, Scheme for Integrated Textile parks, Integrated processing development scheme for sanctioning processing parks and Integrated skill development scheme and recognition of Indian goods in International markets provide excellent opportunity for India to increase its share in World trade.

OUTLOOK

The outlook for Indian textile industry remains optimistic, as demand is expected to pick up on account of improving economic sentiments in both domestic and export markets. The Government has introduced Goods and Service Tax (GST) effective 1st July 2017 which is expected to provide a level playing field for all classes of manufacturers and hence will have positive impact on the economy.

RISKS AND CONCERNS

Availability of Cotton, the main raw material for manufacture of Cotton Yarn, is subject to the vagaries of nature and the prices also fluctuate wildly based on supply/demand in the World market and Government policy on export of Cotton. Availability of labour, competition from Countries having preferential trade agreement with developed economies are some of the risks faced by the textile industry.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control procedures and systems commensurate with its size and nature of its business for purchase of raw materials, plant and machinery, components and other items and sale of goods. The checks and controls are reviewed by the Audit Committee for improvement in each of these areas on a periodical basis. The internal control systems are improved and modified continuously to meet with changes in business conditions, statutory and accounting requirements.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the Company has been discussed at length in Director's Report to the Members.

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

Coimbatore
1st November, 2017

DECLARATION ON CODE OF CONDUCT

To

The Members
Shiva Texyarn Limited

In compliance with the requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchanges, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.03.2017.

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

Coimbatore
1st November, 2017

AUDITORS' CERTIFICATE ON COMPLIANCE OF THE PROVISIONS OF THE CODE OF CORPORATE GOVERNANCE

To
The Shareholders of
Shiva Texyarn Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Shiva Texyarn Limited, ("the Company") for the year ended 31st March 2017 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations].

The compliance of conditions of Corporate Governance is the responsibility of Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / SEBI (LODR) Regulations, as applicable.

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

For VKS AIYER & Co
Chartered Accountants
ICAI Firm Regn. No. 000066S
R UMAMAHESWARI
Partner
Membership No. 221962

Place : Coimbatore
Date : 1st November, 2017

INDEPENDENT AUDITORS' REPORT

To

The Members of
Shiva Texyarn Limited
Coimbatore

1. Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of Shiva Texyarn Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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.

2. Management's Responsibility 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 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 accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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, 2017, and its Profit and its cash flows for the year ended on that date.

5. Emphasis Matter

We draw attention to Note No. 31(VI)(1), Other Notes to Standalone Financial Statements which explains in brief the scheme of demerger of Spinning Unit -1 with connected wind mills and the accounting treatment given by the Company for the same during the Financial Year 2016-17.

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, 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 the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 does not have any pending litigations which would impact its financial position.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. The company has provided requisite disclosures in its Standalone financial statements as regards its holdings and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November 2016 of the Ministry of finance, during the period from 8th November to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the management - Refer Note 31 Other Notes to the Standalone Financial Statements.

For VKS AIYER & Co
Chartered Accountants
ICAI Firm Regn. No. 000066S
R UMAMAHESWARI
Partner
Membership No. 221962

Place : Coimbatore
Date : 1st November, 2017

ANNEXURE - A to Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

1. **In respect of fixed assets :**

   a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

   b) As explained to us, the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.

   c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of Company.

2. **In respect of Inventories:**

   As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification.

3. **In respect of Loans and Advances granted:**

   The Company has not granted any loans, secured or unsecured, to companies, firms, LLP's or other parties covered in the register maintained under Section 189 of the Act.

4. **In respect of Loans, Investments, Guarantees & Security :**

   The Company has not granted any Loan nor provided Guarantee / Security and hence compliance with the provisions of Section 185 and 186 of the Act in respect of same does not arise. In respect of investment made in its wholly owned subsidiary, the provisions of Section 186 of the Act is complied with.

5. **In respect of Deposits accepted:**

   The Company has accepted loans not being deposits from its Directors. These loans are not covered by the provisions of Section 73 to 76 or any other relevant provisions of the Act read with rules made there under. Hence comment on compliance of provisions or rules or other directives does not arise.

6. **In respect of Cost Records:**

   The Central Government has prescribed maintenance of Cost Records under Section 148 (1) of the Companies Act, 2013. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the same.

7. **In respect of Statutory dues:**

   a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at the end of the year for a period of more than six months from the date of becoming payable.

b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Valued Added Tax and Cess which have not been deposited by the Company on account of any dispute.

8. Default in Repayment of Loans:

Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks; No borrowings were made from the financial institutions, Government or debenture holders.

9. In respect of Application of Funds:

The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

10. Frauds:

In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11. Managerial Remuneration:

Managerial Remuneration has been paid / provided in accordance with the requisite approvals mandated by S. 197 r/w. Schedule V to the Act.

12. In respect of Nidhi Companies:

In our opinion, the Company is not a Nidhi company. Therefore, paragraph 3 (xii) of the Order is not applicable to the Company.

13. In respect of Related party transactions :

According to the information and explanations given to us and based on our examination of the records of the Company, the related party transactions entered into by the Company during the year are in compliance with Section 188 of the Act and the details of such transactions have been disclosed in the financial statements as required by the accounting standards and the Act.

14. In respect of preferential allotment / private placement :

The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3 (xiv) of the Order is not applicable to the Company.

15. In respect of non-cash transactions with directors :

The Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, paragraph 3 (xv) of the Order is not applicable to the Company.

16. In respect of registration with RBI :

The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For VKS AIYER & Co
Chartered Accountants
ICAI Firm Regn. No. 000066S
R UMAMAHESWARI
Partner
Membership No. 221962

Place : Coimbatore
Date : 1st November, 2017

ANNEXURE - B to 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 Texyarn Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 31st March, 2017, 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 VKS AIYER & Co
Chartered Accountants
ICAI Firm Regn. No. 000066S
R UMAMAHESWARI
Partner
Membership No. 221962

Place : Coimbatore
Date : 1st November, 2017

STANDALONE BALANCE SHEET AS AT 31st MARCH 2017

(₹ in lakhs)

Particulars	Note No.	As at 31.3.2017	As at 31.3.2016
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share capital	2	2160.45	2160.45
b) Reserves and surplus	3	14151.64	13730.06
c) Money received against share warrants		-	-
d) Demerger Adjustment Pending for Allocation		(6,368.78)	-
Sub total [1]		9,943.31	15,890.51
2. Share application money pending allotment		-	-
3. Non-current liabilities			
a) Long-term borrowings	4	5785.84	8,740.11
b) Deferred tax liabilities (net)	5	3959.48	4333.81
c) Other long-term liabilities	6	7.23	17.42
d) Long-term provisions		-	-
Sub total [3]		9,752.55	13,091.34
4. Current liabilities			
a) Short-term borrowings	7	7331.74	11585.69
b) Trade payables	8	3739.00	2278.43
c) Other current liabilities	9	4305.99	4801.01
d) Short-term provisions	10	167.49	419.03
Sub total [4]		15,544.22	19,084.16
Total [1+2+3+4]		35,240.08	48066.01
II. ASSETS			
1. Non-current assets			
a) Property, Plant and Equipment	11		
i) Tangible assets		21,226.23	28,896.88
ii) Intangible assets		46.74	46.30
iii) Capital work-in-progress		-	706.28
iv) Intangible assets under development		-	-
		21,272.97	29,649.46
b) Non-current investments	12	56.56	108.61
c) Deferred tax assets (net)		-	-
d) Long-term loans and advances	13	2,441.95	2,910.12
e) Other non-current assets		-	-
Sub total [1]		23,771.48	32,668.19
2. Current assets			
a) Current investments		-	-
b) Inventories	14	6405.91	9174.24
c) Trade receivables	15	3631.91	3922.33
d) Cash and cash equivalents	16	571.40	788.78
e) Short-term loans and advances	17	523.84	811.30
f) Other current assets	18	335.54	701.17
Sub total [2]		11,468.60	15,397.82
Total [1+2]		35,240.08	48,066.01

To be read with accompanying notes forming part of the Financial Statements

Subject to our report of even date attached
For VKS AIYER & Co
Chartered Accountants
R UMAMAHESWARI
Partner
Membership No. 221962

Coimbatore
1st November 2017

For and on behalf of the Board

S V ALAGAPPAN
Chairman
DIN 00002450

S V ARUMUGAM
Director
DIN 00002458

S K SUNDARARAMAN
Managing Director
DIN 00002691

C KRISHNAKUMAR
Chief Financial Officer

R SRINIVASAN
Company Secretary
ACS No. 21254

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in lakhs)

Particulars	Note No.	Year ended 31.3.2017	Year ended 31.3.2016
A. CONTINUING OPERATIONS			
I. Revenue from operations	19	38703.90	44992.05
II. Other Income	20	225.31	86.76
III. Total revenue (I+II)		38,929.21	45,078.81
IV. Expenses:			
a) Cost of materials consumed	21	23320.53	27699.34
b) Purchase of stock-in-trade	22	0.00	140.89
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(95.22)	(266.27)
d) Employee benefits expense	24	3454.15	3067.36
e) Finance costs	25	2060.81	2348.96
f) Depreciation and amortisation expense	26	1282.57	1713.03
g) Other expenses	27	7259.49	8920.96
Total expenses		37,282.32	43,624.27
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		1,646.90	1,454.54
VI. Exceptional items	28	-	-
VII. Profit/(Loss) before extraordinary items and tax (V+VI)		1,646.90	1,454.54
VIII. Extraordinary items		-	-
IX. Net Profit/(loss) before tax (VII+VIII)		1,646.90	1,454.54
X. Tax expense:			
a) Current tax	29	379.72	294.51
b) Deferred tax	30	214.09	75.43
XI. Profit/(loss) for the period from continuing operations (IX-X)		1,053.09	1,084.60
B. DISCONTINUING OPERATIONS			
XII. Profit/(Loss) from discontinuing Operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from discontinuing operations (XII-XIII)		-	-
XV. Profit/(loss) for the period (XI+XIV)		1,053.09	1,084.60
XVI. Earnings per Share - Basic & Diluted (Rs.)		8.12	5.02
To be read with accompanying notes forming part of the Financial Statements			

Subject to our report of even date attached
For VKS AIYER & Co
Chartered Accountants
R UMAMAHESWARI
Partner
Membership No. 221962

Coimbatore
1st November 2017

For and on behalf of the Board

S V ALAGAPPAN
Chairman
DIN 00002450

S V ARUMUGAM
Director
DIN 00002458

S K SUNDARARAMAN
Managing Director
DIN 00002691

C KRISHNAKUMAR
Chief Financial Officer

R SRINIVASAN
Company Secretary
ACS No. 21254

NOTE : 1. SIGNIFICANT ACCOUNTING POLICIES

1. METHOD OF ACCOUNTING

The accounts are prepared under the historical cost convention applying accrual method of accounting and as a going concern, complying with the applicable Accounting Standards and the generally accepted accounting principles prevailing in the country.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

3. FIXED ASSETS

i) Fixed assets have been maintained in the books at historical cost.

ii) CENVAT credit eligible against capital goods purchased during the year on Central Excise duty, Service Tax and State Value Added Tax do not form part of the cost of the relevant asset.

4. INVESTMENTS

Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

Investments are treated as non-current investments and are maintained at cost; provision for diminution in value, other than temporary, has been made wherever required.

Investments in lands and buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation.

5. INVENTORIES

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The methods of determining cost of various categories of inventories are as follows :

i) Raw materials - cotton- at weighted average cost method

ii) Packing materials, stores and spares- at weighted average cost method

iii) Stock in Process- at weighted average cost method including appropriate production overhead

iv) Finished goods- at weighted average method including appropriate production overhead

v) By Product - at since realised / realisable value

6. REVENUE RECOGNITION

i) Sales are accounted for on transfer of property in goods to the buyers for a definite consideration; Sales exclude exchange fluctuation gain/loss realized or incurred during the year in respect of export sales for subsequent change in exchange rates after negotiation of documents.

ii) Revenue from operations include receipts incidental to export such as income from import entitlement and premium on sale of such entitlement etc.

iii) Income from windmills denotes income earned by sale or transfer of electricity to Tamil Nadu Electricity Board and the income accrued for which billing is pending.

iv) Revenue from others:

a) Income from investments in shares is accounted for in the year, in which the right to receive the yield are definite.

b) Income from erstwhile financing business against overdue hire purchase instalments, lease rentals, bills discounted and loans written off are accounted to the extent collected upon final settlement of account with the parties.

7. FOREIGN CURRENCY TRANSACTIONS

i) Receivables on account of exports, backed by irrevocable letter of credit of customer's bankers are accounted for at the exchange rate as negotiated by the bankers at the time of discounting of export bills.

ii) All other foreign currency transactions have been accounted at the rates negotiated by the bankers or at the forward contract rates wherever applicable; exchange fluctuation on revenue account has been charged to revenue.

8. EXCISE DUTY

Excise duty if any is consistently accounted for on clearance basis.

9. DEPRECIATION

Depreciation has been charged on cost of fixed assets, adopting the following methods / rates :

i) On straight line method over the remaining useful life of the assets as prescribed under Schedule II to the Companies Act, 2013.

ii) If the cost of a part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately for depreciation.

iii) For other assets acquired during the year pro-rata charge has been made from the date of first use; No depreciation is charged in the year of disposal of assets, as per consistent practice followed by the company.

10. ACCOUNTING FOR TAXES ON INCOME

Income tax expense is accounted for in accordance with AS 22 - "Accounting for taxes on income" prescribed under the Companies (Accounting Standards) Rules, 2006 which includes current taxes and deferred taxes

Current taxes reflect the impact of tax on income of the previous year as defined under the Income Tax Act, 1961 as per applicable rates.

Deferred taxes reflect the impact of Current Year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available.

11. IMPAIRMENT OF ASSETS

Impairment loss from fixed assets is assessed as at the close of each financial year and appropriate provision, if required, is considered in the accounts.

12. BORROWING COSTS

Interest on borrowings, if any attributed to acquisition of qualifying assets are capitalized and included in the cost of the assets, as appropriate.

13. EARNINGS PER SHARE

Basic Earnings per share is calculated by dividing the Net Profit after tax attributable to the shareholders by the weighted average number of Equity Shares outstanding during the year.

14. EMPLOYEE BENEFITS

Gratuity, which is a defined benefit, has been accounted for an actuarial valuation by contribution to an approved gratuity fund established under Life Insurance Corporation of India (LIC) group gratuity scheme; difference in payment of gratuity to employees is being accounted in the year of settlement of such liability.

Contributions payable to Recognized Provident Funds, which is a defined contribution, are determined based on the statutory rates in force and remitted to the competent authority, and is charged to the Statement of Profit and Loss.

Contributions payable to Employees State Insurance Scheme, which is a defined contribution, are determined based on the statutory rates in force and remitted to the competent authority, and is charged to the Statement of Profit and Loss.

15. RELATED PARTY TRANSACTIONS

Irrespective of the materiality, all the transactions between related parties during the existence of related party relationship has been disclosed as required by the Accounting Standard 18 prescribed under the Companies (Accounting Standards) Rules, 2006. Items of the similar nature has been disclosed in aggregate by type of related party except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the reporting enterprise.

16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

17. CASH FLOW STATEMENTS

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Cash and cash equivalents include cash on hand and balance with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent balances that are not available for use by the company.

18. CENVAT AND STATE VAT FOR INPUTS

i) CENVAT Credit availed has been adjusted against Central Excise duty incurred on finished goods dispatched and unutilised deferred CENVAT Credit are carried over as advance.

ii) STATE VAT - Input Credit against Capital goods are adjusted against relevant asset and net amount capitalized; Input credit against remaining goods are accounted for by adjustments against cost of relevant goods; Unadjusted State VAT is carried over as advance.

19. OPERATING LEASES

Leases, where significant portion of risk and reward of ownership are retained by the Lessor, are classified as Operating Leases and lease rentals thereon charged to the Statement of Profit and Loss.

20. RESEARCH AND DEVELOPMENT

Revenue expenditure incurred on research and development is expensed as incurred. Capital expenditure incurred on research and development is depreciated over the estimated useful lives of the related assets.

STANDALONE CASH FLOW STATEMENT

(₹ in lakhs)

Particulars	Year ended 31.3.2017		Year ended 31.3.2016	
A. Cash flow from operating activities:				
Net profit/(loss) before extraordinary items and tax		**1,646.90**		1,454.54
Adjustments for :				
Depreciation and amortisation	**1,282.57**		1,709.40	
Profit on sale of fixed assets	**(142.81)**		(4.26)	
Loss on sale of fixed asets	**0.72**		8.40	
Finance costs	**2,060.81**		2,348.96	
Interest income	**(35.47)**		(35.89)	
Dividend Income	**(0.73)**		(1.15)	
Gain on sale of investments	**-**		-	
Loss on sale of investments	**-**		-	
Rental income from investment properties	**(3.62)**		(10.23)	
Rental income from operating leases	**-**		-	
Adjustments to carrying amount of investments (net)	**(10.57)**		12.99	
Security deposit on lease written back	**-**		-	
Deferred expenses written off	**-**		-	
Write back of excess provision for Dividend Distribution Tax	**2.57**			
Impairment loss on assets leased written off	**-**		-	
		3,153.46		4,028.22
Operating profit/(loss) before working capital changes		**4,800.37**		5,482.76
Changes in working capital :				
Adjustments for (increase)/decrease in operating assets :				
Inventories	**2,768.33**		(1,283.91)	
Trades receivables	**290.42**		(436.20)	
Short-term loans and advances	**287.46**		(157.62)	
Long-term loans and advances	**448.89**		(13.99)	
Other current assets	**365.63**		(143.19)	
Other non-current assets	**-**		-	
Adjustments for increase/(decrease) in operating liabilities :				
Trades payables	**1,460.57**		(849.14)	
Other current liabilities	**(495.02)**		434.91	
Other long-term liabilities	**(10.18)**		(13.04)	
Short-term provisions	**37.05**		23.36	
Long-term provisions	**-**		-	
		5,153.16		(2,438.82)
Cash generated from operations		**9,953.52**		3,043.94
Cash flow from extraordinary items		**-**	-	
		9,953.52		3,043.94
Direct Taxes		**(379.72)**		(294.51)
Net cash flow from Operating Activities		**9,573.79**		2,749.43

STANDALONE CASH FLOW STATEMENT (Contd...)

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
B. Cash flow from investing activities:		
Capital expenditure on fixed assets	**(986.06)**	(1,480.82)
Capital advances for fixed assets	**19.27**	239.94
Sale of fixed assets (including Investment Property)	**253.71**	11.63
Purchase of investment property	**-**	-
Sale of investments	**4.41**	-
Purchase of Investments	**(1.72)**	(12.01)
Interest received	**35.47**	35.89
Dividend received	**0.73**	1.15
Rental income from investment properties	**3.62**	10.23
Rental income from operating leases	**-**	-
Sale of /write back of security deposit on assets leased	-	-
Adjustement on account of Demerger	**437.02**	-
Net cash flow from investing activities	**(233.53)**	(1,193.99)
C. Cash flow from financing activities :		
Increase/(decrease) in long-term borrowings	**(2,954.28)**	(749.66)
Increase/(Decrease) in working capital borrowings	**(4,253.95)**	1,927.93
Finance costs	**(2,060.81)**	(2,348.96)
Dividend paid	**(237.65)**	(216.05)
Tax on dividend paid	**(50.95)**	(43.98)
Net cash flow from financing activities	**(9,557.63)**	(1,430.72)
Net increase in cash and cash equivalents	**(217.38)**	124.71
Cash and cash equivalents at the beginning of the year	**788.78**	664.07
Cash and cash equivalents at the end of the year	**571.40**	788.78

Subject to our report of even date attached
For VKS AIYER & Co
Chartered Accountants
R UMAMAHESWARI
Partner
Membership No. 221962

Coimbatore
1st November 2017

For and on behalf of the Board

S V ALAGAPPAN
Chairman
DIN 00002450

S V ARUMUGAM
Director
DIN 00002458

S K SUNDARARAMAN
Managing Director
DIN 00002691

C KRISHNAKUMAR
Chief Financial Officer

R SRINIVASAN
Company Secretary
ACS No. 21254

STANDALONE NOTES FORMING PART OF THE BALANCE SHEET (₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE 2 : SHARE CAPITAL		
Particulars of each class of Share Capitals :		
Authorised:		
2,20,00,000 Equity shares of ₹10/- each	**2,200.00**	2,200.00
Issued, subscribed and paid up :		
2,16,04,521 Equity shares of ₹10/- each fully paid up	**2,160.45**	2,160.45
(Refer notes (i) to (vii) below)	**2,160.45**	2,160.45
Notes:		
i) Reconcilliation in number and amount of Shares :		
Opening balance		
(Equity shares @ ₹10/- each)		
- Number of shares	**2,16,04,521**	2,16,04,521
- Amount of shares	**-**	-
Closing balance		
(Equity shares @ ₹10/- each)		
- Number of shares	**2,16,04,521**	2,16,04,521
- Amount of shares	**-**	-
ii) Shares held by the Holding Company or subsidiary or their associates:	**Nil**	Nil
iii) Specified details on each class of shares for a period of five years immediately preceding the date as at which Balance Sheet is prepared :-		
a) Aggregate Number and class of Shares alloted for contract without payment being received in cash	**Nil**	Nil
b) Aggregate number and Class of shares alloted as fully paid by way of bonus shares (Fully paidup)	**Nil**	Nil
c) Aggregate number and Class of shares bought back	**Nil**	Nil
iv) Details of shareholders holding more than 5% of shares:		
Name of the shareholders :		
Equity shares :		
a) Vedanayagam Hospital Limted		
- Number of shares	**1,01,10,667**	1,01,10,667
- % of holding	**46.80%**	46.80%
b) Annamallai Retreading Company Private Limited		
- Number of shares	**50,83,577**	50,83,577
- % of holding	**23.53%**	23.53%

v) Rights, Preferences and restrictions attaching to each class of shares including restrictions on distribution of dividends and repayments of Capital :

The Company has only one class of equity shares having par value of Rs.10/- each; Each equity share carries one vote; the shares carry equal right with respect to payment of dividend and repayment of capital in any event.

STANDALONE NOTES FORMING PART OF THE BALANCE SHEET (Contd.,) (₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
vi) Terms of any securities convertible into Equity/Preference Shares issued along with earliest date of conversion in descending order starting from earliest such date : Not applicable		
vii) Shares reserved for issue under option and Contract / Commitments for the sale of shares / disinvestment including terms and amounts : Not applicable		
NOTE 3 : RESERVES AND SURPLUS		
a) Capital reserve : Opening balance	**11.77**	11.77
Add: Additions during the year	**-**	-
	11.77	11.77
Less: Utilised during the year	**-**	-
Closing balance	**11.77**	11.77
b) Securities premium : Opening balance	**2,243.01**	2,243.01
Closing balance	**2,243.01**	2,243.01
c) General reserve : Opening balance	**11,105.72**	10,355.72
Add: Transferred from surplus in Statement of Profit and Loss	**-**	750.00
Closing balance	**11,105.72**	11,105.72
d) Surplus in Statement of Profit and Loss: Opening balance	**369.56**	322.34
Add : Profit/(loss) after tax for the year	**1,053.09**	1,084.60
Add: Excess Provision for Dividend Distribution Tax	**2.57**	-
	1,425.23	1406.94
Less : i) Dividend proposed to be distributed to equity shareholders	**-**	237.65
ii) Tax on proposed dividend	**-**	49.73
iii) Transfer to General reserve	**-**	750.00
iv) Contribution by Unit- I (Resulting Company) - FY 15-16	**634.09**	-
Closing balance	**791.14**	369.56
Total (a+b+c+d)	**14151.64**	13730.06
NOTE 4 : LONG-TERM BORROWINGS		
a) Term loans from Banks (Refer note (i) below) Secured	**5,588.60**	8,594.75
b) Loans and advances from related parties (Refer note (ii) below) Unsecured	**115.00**	115.00
c) Hire purchase finance from Banks (Refer note (iii) below) Secured	**82.24**	30.36
	5,785.84	8,740.11

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016

Notes :

i) Details of terms of repayment, security provided and loans guaranteed by the Directors or others - Term loans from banks (Secured) :-

Name of the bank	Terms of repayment	Nature of security	As at 31.3.2017	As at 31.3.2016
a) Indian Overseas Bank	Repayable in 96 monthly instalments varying from ₹13.00 to ₹43.00 lakhs each, commencing from April, 2012	Hypothecation of windmills and equitable mortgage of related lands in Tirupur district, Tamilnadu	**938.00**	1,512.00
b) Indian Overseas Bank	Repayable in 32 quarterly instalments of ₹250.00 lakhs each, commencing from September, 2010	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	**250.00**	1,249.49
c) Canara Bank	Repayable in 32 quarterly instalments of ₹186.00 lakhs each, commencing from March, 2011	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	**550.58**	1,294.58
d) State Bank of Hyderabad	Repayable in 32 quarterly instalments of ₹154.00 lakhs each, commencing from March, 2010	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	**-**	443.39
e) Uco Bank	Repayable in 32 quarterly instalments of ₹16.41 lakhs each, commencing from September, 2010	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	**37.52**	103.08
f) Bank of Maharastra	Repayable in 30 quarterly instalments of ₹40.00 lakhs each, commencing from December, 2009	First charge on the immovables and hypothecation of movables of spinning unit-I of the Company	**-**	62.20

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,) (₹ in lakhs)

Particulars			As at 31.3.2017	As at 31.3.2016
Name of the bank	Terms of repayment	Nature of security		
g) Bank of Baroda	Repayable in 27 quarterly instalments of ₹90.00 lakhs each & ₹70.00 lakhs (for the last instalment) each, commencing from August, 2011	First charge on the immovables and hypothecation of movables of spinning unit.	-	430.00
h) Axis Bank	Repayable in 25 quarterly instalments commencing from March 2016 under step up method	First charge on the Windmills of the Company having a capacity of 13.195 MW in Coimbatore and Tirupur Districts	**2,062.50**	2,250.00
i) ICICI Bank Ltd	Repayable in 16 equal quarterly instalments commencing from February 2015	First charge on the immovables and hypothecation of movables of spinning unit - I of the Company	**375.00**	1250.00
j) The Karur Vysya Bank Ltd	Repayable in 60 monthly instalments of ₹ 25 lakhs each commencing from November 2017	Exclusive EM charge on vacant land belonging to Associate Company	**1,375.00**	-
			5,588.60	8,594.75
[The above loans in Sl. Nos.(a) to (j) rank pari passu wherever applicable as per agreement executed between the lending banks and the Company]				
ii) **Loans and advances from related parties**				
Unsecured :				
Loans from Directors			**115.00**	115.00
			115.00	115.00

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars			As at 31.3.2017	As at 31.3.2016
iii) Details of terms of repayment and security provided Hire purchase finance from banks (Secured):				
Name of the bank	Terms of repayment	Nature of security		
a) Karur Vysya Bank	Repayable in 24 monthly instalments commencing from December, 2015	Hypothecation of motor car	**11.32**	6.17
b) Audi Financial Services	Repayable in 60 monthly instalments commencing from January, 2017	Hypothecation of motor car	**70.92**	-
c) Kotak Mahindra Prime Ltd	Repayable in 60 monthly instalments of varying amounts commencing from August, 2014	Hypothecation of motor car	-	24.19
			82.24	30.36
iv) Continuous defaults in repayment of loans and interest			Nil	Nil
NOTE - 5 : DEFERRED TAX LIABILITIES (NET)				
a) Deferred tax liability : Opening balance			**4,442.49**	4,328.08
Add: Additions during the year			**234.44**	114.41
			4,676.93	4,442.49
Less: Reversed during the year			**-**	-
Less: Transferred on Account of Demerger			**620.39**	-
Closing balance			**4,056.54**	4,442.49
b) Deferred tax asset : Opening balance			**108.68**	69.70
Add: Additions during the year			**20.35**	38.98
			129.03	108.68
Less: Reversed during the year			**-**	-
Less: Transferred on Account of Demerger			**31.97**	
Closing balance			**97.06**	108.68
Deferred tax liability (Net) (a)-(b)			**3,959.48**	4,333.81

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE - 6 : OTHER LONG-TERM LIABILITIES		
i) Trade / Security deposits received	**5.00**	11.00
ii) Income received in advance	**2.23**	3.11
iii) Rent deposit received	**-**	3.30
	7.23	17.42
NOTE - 7 : SHORT-TERM BORROWINGS		
Loans repayable on demand:		
From banks (Refer note below)		
Secured	**7,331.74**	11,585.68
	7,331.74	11,585.68

Notes :

Details of security provided and loans guaranteed by the Directors or others

Name of the bank	Terms of repayment	Nature of security		
a) Short term loan				
ICICI Bank Ltd	Repayable in full on demand	Hypothecation of inventories and trade receivables	**-**	250.00
b) Working capital loans				
i) Indian Overseas Bank - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	**2,851.76**	2,710.56
ii) Indian Overseas Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	**60.06**	1,018.62
iii) Bank of Baroda Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	**1,407.49**	1,966.58
iv) Canara Bank - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	**728.77**	1,510.22

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,) (₹ in lakhs)

Particulars				As at 31.3.2017	As at 31.3.2016
	Name of the bank	Terms of repayment	Nature of security		
v)	KVB- PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	-	134.54
vi)	KVB- Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	**1,283.66**	1,905.03
vii)	Allahabad Bank Cash Credit / PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	-	0.11
viii)	IOB ILC	Repyable on demand	Hypothecation of inventories and trade receivables	-	200.59
ix)	Canara Bank - ILC	Repayable on demand	Hypothecation of inventories and trade receivables	-	139.68
x)	ICICI Bank - ILC	Repayable on demand	Hypothecation of inventories and trade receivables	-	249.75
xi)	Kotak Mahindra Bank Short Term Loan	Repayable on demand	Hypothecation of inventories and trade receivables	-	1,500.00
xii)	HDFC Bank	Repayable on demand	Hypothecation of inventories and trade receivables	**1,000.00**	-
				7,331.74	11,585.68

[The above loans in Sl. Nos.(a) and (b)(i) to (b)(xii) rank pari pasu as per agreement executed between the lending banks and the company]

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE 8 : TRADE PAYABLES		
a) Micro, Small and Medium Enterprises	**-**	-
b) Others	**3,739.00**	2,278.43
	3,739.00	2,278.43
NOTE 9 : OTHER CURRENT LIABILITIES		
a) Current maturities of long-term debt (Refer note (i) below)	**3,486.54**	4,132.22
b) Interest accrued and due on loans (Refer note (ii) below)	**55.56**	95.99
c) Income received in advance	**0.02**	0.03
d) Unclaimed dividends	**28.10**	26.74
e) Unclaimed matured deposits and interest accrued thereon	**9.18**	9.18
f) Others	**726.59**	536.83
	4,305.99	4,801.00
Notes :		
i) Current maturities of long-term debt		
a) Term loans from Banks (Secured) :		
Axis Bank	**187.50**	250.00
Indian Overseas Bank	**1,396.00**	1,420.00
Canara Bank	**744.00**	744.00
State Bank of Hyderabad	**443.39**	616.00
Uco Bank	**65.64**	65.64
Bank of Maharastra	**-**	159.71
Bank of Baroda	**-**	360.00
ICICI Bank Ltd	**500.00**	500.00
K V B	**125.00**	-

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,) (₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
b) Hire purchase finance from Banks (Secured) :		
Karur Vysya Bank / Audi Financial Services - Car Loan	**22.41**	-
HDFC Bank - Car Loan	**2.60**	8.07
Kotak Mahindra Prime Limited	**-**	8.81
c) Deposits :		
Public deposits (Unsecured)	**-**	-
	3,486.54	4,132.22
ii) Interest accrued and due on loans		
Term loans from Banks :		
Indian Overseas Bank	**26.88**	40.84
State Bank of Hyderabad	**5.89**	12.88
Uco Bank	**1.40**	2.23
Bank of Maharastra	**-**	2.73
Axis Bank	**21.39**	23.89
Kotak Mahindra Bank Limited	**-**	13.42
	55.56	95.99
[Terms of securities and guarantees disclosed in Note No.4 also apply to current maturities and interest accrued and due on long term borrowings]		
NOTE - 10 : SHORT-TERM PROVISIONS		
Employee benefits :		
a) Provision for bonus	**86.60**	109.04
b) Provision for gratuity	**-**	17.11
Others :		
a) Provision for tax (Net of advance tax)	**80.89**	4.28
b) Provision for proposed dividend	**-**	237.65
c) Provision for tax on dividend	**-**	50.95
	167.49	419.03

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

NOTE 11 : PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

Sl. No.	Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
		As at 1.4.2016	Additions / Transfers	Deletions / Transfers	**As at 31.3.2017**	As at 01.4.2016	For the Year	Withdrawn/ Deletions	**As at 31.3.2017**	**As at 31.3.2017**	As at 31.3.2016
A	Tangible assets										
1	Land :										
	Own	224.44	9.03	4.90	228.57	-	-	-	-	228.57	392.42
	Lease Hold	33.11	-	-	33.11	1.48	0.33	-	1.81	31.30	31.63
2	Buildings:										
	Non-Factory Buildings (RCC)	87.65	-	-	87.65	21.71	1.98	-	23.68	63.97	962.58
	Non-Factory Buildings (Other than RCC)	-	-	-	-	-	-	-	-	-	168.91
	Factory Buildings (RCC & Non-RCC)	6,084.56	731.61	-	6,816.17	1,024.51	199.92	-	1,224.43	5,591.74	5,489.62
	Fences, Wells, Tube wells	2.21	4.42	-	6.62	0.65	0.43	-	1.08	5.54	32.80
	Temporary Structure, etc	-	-	-	-	-	-	-	-	-	25.58
3	Plant and equipments										
	Plant and Machieries (General)	17,463.22	265.43	61.03	17,667.61	5,047.24	709.34	6.10	5,750.48	11,917.13	15,790.46
	Plant and Machieries (Special)										
	- Windmills	7,513.21	-	-	7,513.21	4,418.02	270.03	-	4,688.05	2,825.16	5,431.99
4	Furnitures and fixtures	140.96	23.65	-	164.61	49.35	13.47	-	62.81	101.80	99.67
5	Vehicles										
	Two Wheelers	6.35	-	-	6.35	4.45	0.27	-	4.72	1.63	2.35
	Lorries (Running on hire)	-	-	-	-	-	-	-	-	-	-
	Lorries (Other than running on hire)	71.98	-	-	71.98	32.18	9.85	-	42.03	29.94	40.00
	Motor Cars (Own use)	116.49	122.27	-	238.76	24.47	16.69	-	41.16	197.60	155.08
6	Office Equipments	219.34	38.34	-	257.69	145.23	24.73	-	169.97	87.72	83.08
7	Computers and Data Processing Units:										
	Servers and Networks	-	-	-	-	-	-	-	-	-	-
	Computers, Printers, UPS, etc.	27.92	13.44	-	41.36	17.28	7.84	-	25.13	16.23	13.41
	Lab Equipments	45.15	1.90	-	47.05	3.73	4.40	-	8.14	38.91	84.28
	Electrical Installations	110.55	7.14	-	117.70	18.13	10.59	-	28.73	88.97	93.03
	TOTAL (A)	32,147.15	1,217.23	65.93	33,298.45	10,808.44	1,269.88	6.10	12,072.22	21,226.23	28,896.89
B	Intangible assets										
1	Computer software	57.04	14.98	-	72.02	27.34	8.87	-	36.21	35.81	46.30
2	Know how	-	-	-	18.21	3.64	3.64	-	7.28	10.92	-
	Total (B)	57.04	14.98	-	90.23	30.98	12.51	-	43.49	46.74	46.30
C	Capital work-in-progress										
	Buildings	228.30	344.28	572.58	-	-	-	-	-	-	259.37
	Machinery	17.85	2.37	20.22	-	-	-	-	-	-	446.91
	Electrical Installaitons	-	-	-	-	-	-	-	-	-	-
	Computer	-	-	-	-	-	-	-	-	-	-
	Furnitures & Fixtures	-	-	-	-	-	-	-	-	-	-
	TOTAL (C)	246.15	346.65	592.80	-	-	-	-	-	-	706.28
D	Intangible assets under construction										
	Total (A+B+C)	32,468.55	1,578.86	658.73	33,388.67	10,839.42	1,282.39	6.10	12,115.71	21,272.96	29,649.46
	Total for the Previous Year	45,742.93	2,286.70	838.52	47,191.11	15,865.34	1,707.76	16.88	17,556.21	29,634.90	29,877.59

Depreciation on Lease hold land denotes the amount of cost amortised and written off over the tenure of 99 years for which the company has entered into a registered lease for industrial plot acquired from SIPCOT

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE 12 : NON-CURRENT INVESTMENTS		
a) Investment property (Refer note (i) below)	**7.46**	64.37
b) Investment in equity instruments (Refer note (ii) below)	**49.10**	44.23
Total	**56.56**	108.60
i) Investment property		
Nature of property		
Lands	**0.76**	5.71
Buildings (Refer notes (a) to (c) below)	**6.69**	58.66
	7.45	64.37
Notes:		
(a) Original cost - Buildings	**11.35**	84.61
	11.35	84.61
(b) Accumulated depreciation - Buildings	**4.67**	25.95
	4.67	25.95
(c) Written down value - Buildings	**6.68**	58.66
	6.68	58.66

(ii) Investment in equity instruments

Name of the Company	No. of shares	Face value	Market value	Current year Cost	Previous year Cost
(A) QUOTED					
Arvind Liquid Gases Ltd	1000	10	0.01	0.41	0.41
Dyna Lamps & Glass Works Ltd	20000	10	0.20	2.00	2.00
Eastern Sugars & Industries Ltd	17500	10	0.18	1.75	1.75
Hindalco Industries Ltd	20	1	0.04	0.02	0.02
ICICI Bank	7325	2	20.30	8.89	8.89
IDBI Ltd	640	10	0.48	0.37	0.37
IFCI Ltd	14100	10	4.19	11.29	11.29
KG Denim Ltd	5000	10	4.53	0.85	0.85

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,) (₹ in lakhs)

Name of the Company	No. of shares	Face value	Market value	Current year Cost	Previous year Cost
NEPC India Ltd	13000	10	0.13	6.66	6.66
Ponni Sugars & Chemicals Ltd	3030	10	0.03	0.40	0.40
Shree Karthik Papers Ltd	30000	5	0.30	3.00	3.00
State Bank of India	500	1	1.47	0.58	0.58
Steel Authority of India Ltd	1000	10	0.61	0.62	0.62
Sesa Sterlite Ltd (Vedanta Ltd)	5430	1	14.92	15.22	15.22
Super Sales Agencies Ltd	2300	10	13.45	3.38	3.38
Telephone Cables Ltd	1000	10	0.01	1.34	1.34
VGP Finance Ltd	500	10	0.01	0.05	0.05
Sterlite Technologies Ltd	700	2	0.88	0.73	0.73
Total			**61.72**	**57.54**	57.54
(B) Unquoted :					
Arun Fuels Ltd	100	10		0.10	0.10
The Catholic Syrian Bank Ltd	10000	10		3.20	3.20
Sakthi Beverages Ltd	20000	10		2.00	2.00
Tulya Alloy Castings Ltd	1200	10		0.12	0.12
ARS energy	200	10		1.80	0.58
OPG Metals Private Limited	63000	10		1.49	8.42
STYL textile ventures Limited	50000	10		5.00	5.00
Cauvery Power Pvt Limited				-	-
Total				**13.71**	19.42
C) Abstract :					
Aggregate amount of quoted investments				57.54	57.54
Market value of quoted investments				61.72	45.50
Aggregate amount of unquoted investments				13.71	19.42
Aggregate amount of equity investments				71.25	76.96
Less: Provision for diminution in value of investments				22.15	32.72
Net carrying amount of equity investments				**49.10**	44.23

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE 13 : LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Capital advances	**117.84**	137.11
b) Security deposit	**261.37**	379.34
c) Prepaid expenses	**15.43**	15.60
d) Advance income tax (Net of provision)	**-**	-
e) MAT credit entitlement	**1,982.54**	2,321.43
f) Other loans and advances	**64.78**	56.64
	2,441.95	2,910.12
Long terms loans and advances due by Directors/Officers, due by Firm or Private Limited Companies in which any Director is a Partner or Director	-	-
NOTE - 14 : INVENTORIES		
a) Raw materials	**3,499.50**	5,477.70
b) Work-in-progress (Refer note below)	**438.96**	571.40
c) Finished goods	**1,768.16**	2,525.44
d) Stores and Spares	**614.20**	514.36
e) By-products	**85.09**	85.34
	6,405.91	9,174.25
Note :		
Work - in - progress		
Cotton	**303.44**	372.28
Yarn	**19.70**	18.44
Fabric	**115.82**	180.69
Total	**438.96**	571.40

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,) (₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE 15 : TRADE RECEIVABLES		
a) Trade receivables outstanding for a period exceeding six months		
- Unsecured, considered good	**48.48**	62.04
- Doubtful	**112.09**	123.06
	160.57	185.09
Less : Provision for bad and doubtful debts	**125.66**	123.06
	34.91	62.04
b) Other trade receivables		
- Unsecured, considered good	**3,597.00**	3,860.29
	3,631.91	3,922.32
[Trade receivables due by Directors/Officers, due by Firms or Private Limited Companies in which any Director is a Partner or Director]	-	-
NOTE 16 : CASH AND CASH EQUIVALENTS		
a) Cash on hand	**9.08**	12.99
b) Cheques, drafts on hand	**15.26**	69.12
c) Balances with banks:		
i) In current/cash credit accounts	**319.51**	531.72
ii) In deposit/margin money accounts (Refer note below)	**199.45**	148.21
iii) In unpaid dividend accounts	**28.10**	26.74
	571.40	788.77
Note : Out of the above, bank deposit and margin money which have maturity of more than 12 months	**-**	-
NOTE 17 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Loans and advances to related parties	**-**	15.93
b) Security deposit	**0.05**	0.05
c) Prepaid expenses	**115.43**	212.65
d) Balances with government authorities :		
i) CENVAT credit receivable	**30.46**	140.25
ii) VAT credit receivable	**15.89**	38.03
iii) VAT advance tax paid	**-**	25.00
e) Others	**362.01**	379.39
	523.84	811.31
[Short-term loans and advances due by Directors/Officers, due by Firms or Private limited companies in which any director is a partner or director]	**-**	

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE 18 : OTHER CURRENT ASSETS		
a) Unbilled revenue	**-**	23.01
b) Unamortised expenses (Refer note below)	**32.99**	-
c) Accruals :		
Interest accrued on deposits	**0.06**	2.35
Windmill generation - unadjusted	**28.12**	31.73
Rent Receivables	**-**	1.44
d) Others :		
i) Insurance claims receivables	**1.47**	3.10
ii) Interest subsidy on TUF loan	**174.17**	578.52
iii) Export/other incentive receivables	**98.73**	60.87
iv) Other Miscellaneous assets	**-**	0.15
	335.54	701.17

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS (Contd..)

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
NOTE 19 : REVENUE FROM OPERATIONS		
a) Sale of products	**37,793.34**	44,235.60
b) Other operating revenues (Refer note below)	**935.95**	783.62
	38,729.29	45,019.21
Less : Excise duty	**25.39**	27.16
	38,703.90	44,992.06
Note: Other operating revenues		
Duty drawback and other export incentives	**432.66**	397.44
Processing charges receipts	**196.96**	326.55
Rental income	**60.00**	60.00
Insurance Claim Received towards loss of Stock	**235.79**	-
Wind Energy broken period unbilled & Banking Units	**10.54**	(0.37)
	935.95	783.62
NOTE 20 : OTHER INCOME		
a) Interest income (Refer note (i) below)	**24.11**	34.52
b) Dividend income (Refer note (ii) below)	**0.73**	1.15
c) Adjustments to carrying amount of investments (net) [Refer Note (iii) below]	**10.57**	-
d) Net gain on foreign currency transactions	**(0.06)**	(0.34)
e) Other non-operating income (Refer note (iv) below)	**189.96**	51.44
	225.31	86.77
Notes :		
i) Interest income		
Interest from bank on deposit	**2.07**	6.54
Interest on other deposits	**16.11**	27.07
Interest on loans and advances	**-**	0.91
Interest on income tax refund	**5.93**	-
	24.11	34.52
ii) Dividend income		
Others	**0.73**	1.15
	0.73	1.15

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS (Contd..) (₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
iii) Adjustments to carrying amount of investments (net)		
From long-term investments	**10.57**	-
	10.57	-
iv) Other non-operating income		
Rent receipts	**3.62**	13.23
Profit on sale of fixed assets	**142.81**	4.26
Bad debts recovery	**12.35**	7.81
Sundry balances written back	**8.07**	10.61
Prior period income	**11.36**	1.38
Other miscellaneous income	**11.75**	14.15
	189.96	51.44
NOTE 21 : COST OF MATERIALS CONSUMED		
Consumption of Raw materials :		
Opening stock - Raw materials	**2,468.63**	4,421.81
- Work-in-process	**218.63**	393.09
Add : Purchases	**24,443.98**	28,726.65
	27,131.24	33,541.55
Less : Closing stock - Raw materials	**3,499.50**	5,477.70
- Work-in-process	**311.21**	364.51
Cost of materials consumed	**23,320.53**	27,699.34
NOTE 22 : PURCHASE OF STOCK-IN-TRADE		
Yarn	-	94.27
Fabrics	-	46.62
	-	140.89

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS (Contd..) (₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
NOTE 23 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
a) Inventories at the end of the year :		
Finished goods	**1,768.16**	2,525.44
Stock-in-progress	**127.75**	206.89
Waste	**85.08**	85.34
	1,980.99	2,817.66
b) Inventories at the beginning of the year:		
Finished goods	**1,646.22**	2,454.16
Stock-in-progress	**188.46**	30.97
Waste	**51.09**	66.26
	1,885.77	2,551.41
Net (increase)/decrease in stock (b) - (a)	**(95.22)**	(266.27)
NOTE 24 : EMPLOYEE BENEFITS EXPENSE		
a) Salaries and wages (Refer note (i) below)	**3,089.81**	2,701.81
b) Contribution to provident and other funds (Refer note (ii) below)	**221.51**	174.82
c) Staff welfare expenses (Refer note (iii) below)	**142.83**	190.73
	3,454.15	3,067.36
Notes :		
i) Salaries and Wages		
Remuneration to Directors	**126.41**	145.13
Salaries, wages and allowances	**2,843.04**	2,432.20
Bonus and ex-gratia	**120.36**	124.48
	3,089.81	2,701.81
ii) Contribution to provident and other funds		
Contribution to Provident Fund (PF) & Family Pension Fund (FPF)	**178.06**	137.36
EDLI & PF administration charges	**16.52**	12.14
Contribution to family pension fund	**-**	-
Contribution to gratuity	**26.93**	25.32
	221.51	174.82

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS (Contd..) (₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
iii) Staff welfare expenses		
Employees state insurance contribution	**7.44**	21.56
Labour welfare fund contribution	**-**	-
Staff recruitment and training expenses	**40.05**	10.43
Welfare expenses	**95.34**	158.74
	142.83	190.73
NOTE 25 : FINANCE COSTS		
a) Interest expenses (Refer note (i) below)	**1,901.13**	2,131.43
b) Other borrowing costs (Refer note (ii) below)	**171.78**	175.57
c) Net (gain)/Loss on foreign currency transactions (FCNRB loans)	**(12.10)**	41.96
	2,060.81	2,348.96
Notes :		
i) Interest expenses on :		
Cash credit from banks	**845.84**	619.05
Term loan from banks	**1,033.31**	1,508.03
Finance Charges on finance lease	**2.93**	0.53
Other interest	**19.05**	3.83
	1,901.13	2,131.43
ii) Other borrowing costs :		
Commitment charges	**57.24**	57.96
Bank charges	**114.54**	117.61
	171.78	175.57
NOTE 26 : DEPRECIATION AND AMORTISATION EXPENSES		
a) Depreciation and amortisation on tangible assets	**1,273.87**	1,700.13
b) Depreciation and amortisation on intangible assets	**8.70**	12.90
	1,282.57	1,713.03

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS (Contd..)

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
NOTE 27 : OTHER EXPENSES		
a) Manufacturing expenses (Refer note (i) below)	**4,546.41**	5,138.25
b) Administrative expenses (Refer note (ii) below)	**854.33**	951.09
c) Repairs and maintenance (Refer note (iii) below)	**773.14**	1,238.17
d) Selling and distribution expenses (Refer note (iv) below)	**945.63**	1,362.20
e) Miscellaneous expenses (Refer note (v) below)	**139.98**	231.23
	7,259.49	8,920.93
Notes : i) Manufacturing expenses:		
Power and fuel	**2,909.99**	4,473.86
Less: Captive consumption	**1643.53**	1,776.15
	1,266.46	2,697.71
Consumption of chemicals, stores and packing materials	**2,038.03**	1,514.12
TANGEDCO Charges	**211.08**	319.26
Processing charges paid	**1,030.84**	607.16
	4,546.41	5,138.25
ii) Administrative expenses :		
Rent	**213.23**	207.82
Insurance	**93.18**	155.48
Rates and taxes	**59.36**	59.81
Directors' sitting fee	**0.80**	2.40
Donations	**52.04**	14.47
Payments to auditors	**7.47**	9.78
Legal and professional charges	**44.10**	74.94
Postage and telephone	**118.82**	119.35
Telephone	**9.30**	7.87
Travelling and conveyance	**227.66**	257.11
Conveyance	**2.59**	-
Printing and stationery	**25.45**	32.75
Bad trade receivables and advances written off	**0.23**	-
Sundry balances written off	**0.10**	9.29
	854.33	951.10

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS (Contd..) (₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
iii) Repairs and maintenance :		
Buildings	**83.48**	120.14
Machinery	**405.48**	727.60
Electrical	**19.30**	74.59
Vehicles	**22.32**	27.67
Windmills	**177.10**	216.21
Others	**65.46**	71.97
	773.14	1,238.16
iv) Selling and distribution expenses :		
Advertisement expenses	**10.72**	12.46
Freight and Transport on Sales	**196.08**	296.08
Commission and brokerage	**294.67**	312.20
Discount on sales	**434.98**	736.54
Business promotion expenses	**9.18**	4.91
	945.63	1,362.19
v) Miscellaneous expenses:		
Loss on fixed assets sold / scrapped / written off	**0.72**	8.40
Provision for doubtful debts / advances	**24.00**	19.93
Adjustments to carrying amount of investments (net) (Refer note below)	**-**	12.99
Security Service Charges	**-**	0.36
Electricity and lighting expenses	**1.55**	117.55
Subscription, membership and periodicals	**8.67**	12.58
Listing fee	**3.87**	4.56
Filing and registration fees	**1.05**	5.49
General expenses	**89.80**	47.36
Corporate Social Responsibility Expenses	**10.32**	2.00
	139.98	231.23

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS (Contd..) (₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
Adjustments to carrying amount of investments (net)		
From long-term investments	-	12.99
	-	12.99
NOTE 28 : EXCEPTIONAL ITEMS		
a) Income	-	-
b) Expenses : Loss on Sale of investments	-	-
Net Income / [(Expenses) a - b]	-	-
NOTE 29 : CURRENT TAX		
a) Current tax expense for current year :		
i) Regular tax	**380.93**	289.05
ii) Book Profit tax	**354.19**	317.20
Less : MAT credit entitlement	-	28.15
	354.19	289.05
Current tax expense for the year (Higher of i or ii)	**380.93**	289.05
b) Current tax expense relating to prior years	**(1.21)**	5.45
	379.72	294.50
NOTE - 30 : DEFERRED TAX		
a) Provision for Deferred Tax Liability (Dr)	**234.44**	114.41
b) Provision for Deferred Tax Asset (Cr)	**(20.35)**	(38.98)
	214.09	75.43

ADDITIONAL NOTES ATTACHED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE - 31 : OTHER NOTES TO FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
I ADDITIONAL NOTES TO BALANCE SHEET		
A Contingent liabilities		
a) Claims against the Company not acknowledged as debt	**-**	-
b) Guarantees	**-**	-
c) Other money for which the Company is contingently liable:		
i) Disputed demands from ESI Authorities pertaining to Corporate office	**11.28**	11.28
ii) Disputed TNVAT demand in respect of which interim stay granted by Hon'ble High Court of Madras	**-**	-
iii) Disputed claims of TANGEDCO as part of energy supply Bill	**91.44**	143.62
B Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	**0.95**	618.79
b) Uncalled liability on shares and other investments partly paid	**-**	-
c) Other Commitments:		
i) The amount of duty concession availed against the pending obligation for import of capital goods under concessional customs duty linked to fulfillment of export obligations	**145.76**	298.61
ii) Value of export obligations to be fulfilled	**27,116.10**	33,547.24
C Proposed dividends		
a) On Preference Shares:		
b) On Equity Shares:		
Total amount of proposed dividend	**207.40**	237.65
Number of shares	**12,962,713**	21,604,521
Amount of dividend per share	**1.60**	1.10
D Unutilised amount of proceeds of securities issued for specific purpose	**-**	-
E Diminution in value of assets other than fixed assets & non-current investments	**-**	-

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
II ADDITIONAL NOTES TO STATEMENT OF PROFIT AND LOSS		
1 Payments to auditors		
Independent audit :		
a) As auditors - Statutory audit	**2.50**	5.07
b) For Taxation matters	**2.64**	2.43
c) For other services	**2.33**	2.28
	7.47	9.78
2 Prior period items:		
a) Income	**11.36**	1.38
b) Expenses	**-**	-
Net of prior period itmes (a) - (b)	**11.36**	1.38
3 Disclosure for raw materials, purchased goods and finished goods under broad heads		
Sale of products		
a) Manufactured goods:		
Yarn	**19,674.20**	30,524.28
Fabric	**6,016.66**	6,569.01
Garments	**1,959.10**	461.79
Coated fabrics (Canvas)	**2,367.05**	917.82
Laminated fabrics	**5,996.46**	3,643.84
Waste	**1,779.87**	2,020.96
Wind energy	**-**	-
Total	**37,793.34**	44,137.69
b) Traded goods:		
Yarn	**-**	97.91
Total	**-**	97.91
Total sale of products (a)+(b)	**37,793.34**	44,235.60
Raw materials consumption		
a) Cotton	**19,245.83**	25,898.31
b) Others	**4,074.70**	1,801.03
Total	**23,320.53**	27,699.34

(₹ in lakhs)

Particulars			Year ended 31.3.2017	Year ended 31.3.2016
Purchase of traded goods				
a) Yarn			-	94.27
b) Fabrics			-	46.63
Total			-	140.90
4. Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;				
Raw materials				
Indigenous		(₹)	**20,862.48**	23,866.09
		(%)	**89.46%**	86.16%
Imported		(₹)	**2,458.05**	3,833.25
		(%)	**10.54%**	13.84%
Total			**23,320.53**	27,699.34
Stores and spares				
Indigenous		(₹)	**2,211.44**	2,820.21
		(%)	**96.72%**	96.54%
Imported		(₹)	**74.96**	100.97
		(%)	**3.28%**	3.46%
Total			**2,286.40**	2,921.18
5. Value of imports calculated on CIF basis by the company during the financial year in respect of				
i) Raw materials			**2,458.05**	3,746.65
ii) Components and spare parts			**74.96**	100.97
iii) Capital goods			**23.61**	138.05
6. Expenditure in foreign currency incurred during the financial year on account of :				
Traveling, training and others			**46.38**	71.36

7. The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related ;

i)	Total number of Non-resident shareholders	Not applicable, Hence No Dividend is paid in Foreign Currency
ii)	Total number of shares held	
iii)	Total amount of dividend due/paid	
iv)	Year to which the dividend related	

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
8. Earnings in foreign exchange classified under the following heads, namely :-		
i) Export of goods calculated on FOB basis	**8,266.28**	9,202.56
ii) Royalty, know-how, professional and consultation fees	**-**	-
iii) Interest and dividend	**-**	-
iv) Other income, indicating the nature thereof	**-**	-
9. The Company, has paid to trade related research institutions by way of recurring / non recurring contribution	**1.37**	1.40
10. Rates and taxes include wealth tax	**-**	-

III DISCLOSURES PURSUANT TO ACCOUNTING STANDARDS

1) AS 2 - Valuation of inventories

Closing stock of finished goods in textile division is valued excluding excise duty as the company opted for clearance at "Nil" duty and hence no provision for excise duty is made as expense. The method of valuation has no impact on the net profits.

i.	Raw materials	At weighted average cost method
ii.	Process	At weighted average cost method (incl. appropriate production overhead)
iii.	Finished goods	At weighted average cost method (incl. appropriate production overhead) or Market Value whichever is less
iv.	By Products	At since realised / realisable value
v.	Stock of packing materials and stores and spares	At weighted average method

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
2) AS 15 - Employee benefits		
a) Defined Contribution Plan		
i) Contribution to provident fund & EPS	**178.06**	66.57
ii) Contribution to family pension fund	**-**	70.79
iii) Contribution to employees state insurance scheme	**7.44**	21.56
b) Defined benefit plan : **Gratuity**		
A. Changes in Present Value of Obligation		
PV of Obligation as at the beginning of the year	**74.92**	240.54
Current Service Cost	**12.08**	18.56
Interest cost	**8.16**	23.02
Acturial (gain)/Loss on Obligation	**34.91**	(17.67)
PV of Obligation as at the end the year	**130.07**	264.45
B. Change in Assets during the year ended 31st March		
FV of Plan Assets as at the beginning of the year	**76.39**	244.86
Expected return on Plan Assets	**8.16**	23.02
Settlement Claims-Credit	**(6.24)**	(13.19)
Contributions by the employer	**53.01**	17.32
Charges deducted	**(1.24)**	(2.41)
FV of Plan Assets as at the end of the year	**130.07**	269.59
C. Net Asset/(Liability) Recognized in the Balance Sheet		
PV of Obligation as at the end the year	**130.07**	264.45
FV of Plan Assets Obligation as at the end the year	**130.07**	269.59
Funded Status [Surplus/(Deficit)]	**-**	5.14
D. Expenses recognized during the period ended 31st March		
Current Service Cost	**12.08**	18.56
Interest Cost	**8.16**	23.02
Expected return on Plan Assets	**(11.71)**	(24.75)
Actuarial (gains)/Losses	**17.92**	11.19
Net Amount recognised in Statement of profit and loss	**26.45**	28.03
E. Categories of Plan assets as a percdentage of Total Plan assets		
Equity Instruments	**-**	-
Debt Instruments	**-**	-
Property	**-**	-
Insurer Managed Asset	**100.00%**	100.00%

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
F. Assumptions used in accounting for the gratuity Plan		
Discount Rate (Per Annum)		
- Unit-I	**0.00%**	8.00%
- Unit-II	**8.00%**	8.00%
Rate of Increase in compensation levels (Per Annum)		
- Unit-I	**0.00%**	6.50%
- Unit-II	**6.50%**	6.50%
Rate of return on plan assets (Per Annum)		
- Unit-I	**0.00%**	9.25%
- Unit-II	**9.00%**	9.25%
Expected average remaininng working lives of employees (Years)		
- Unit-I	**-**	33.40
- Unit-II	**35.45**	35.45

In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed. The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employees Benefits" are not readily available in the valuation report furnished by LIC of India and hence, are not furnished.

3) AS 17 - Segment reporting

The company's business relates to single segment only i.e, Textiles and hence no segment reporting is given.

4) AS 18 - Related party disclosures

A. Related parties

i) Holding and Subsidiary Companies :
Subsidiary Company : Shiva Mills Limited

ii) Associates (Investing Party) :
Annamallai Retreading Company Private Ltd

iii) Key management personnel :
Sri S K Sundararaman - Managing Director

iv) Relatives of key management personnel :
Dr S V Kandasami - Father of Managing Director

v) Companies in which Key Managerial Personnel or their relatives having Significant Influence:
Anamallais Agencies Private Ltd
Anamallais Automobiles Private Ltd
Bannari Amman Spinning Mills Ltd
Sakthi Murugan Transports Ltd
Sundar Ram Enterprise Private Ltd
Young Brand Apparel Private Limited

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
B. Nature and amount of related party transactions and balances outstanding :		
i) Investments :		
Subsidiary	**5.00**	5.00
ii) Loans & Advances given :		
Subsidiary	**-**	15.93
iii) Sale of goods & Services		
Companies in which KMP or their relatives having Significant Influence	**680.58**	1,016.10
iv) Purchases of goods & services		
Companies in which KMP or their relatives having Significant Influence	**1,064.27**	358.76
v) Sales of Fixed Assets		
Companies in which KMP or their relatives having Significant Influence	**-**	-
vi) Services availed		
a) Associates	**2.50**	0.27
b) Companies in which KMP or their relatives having Significant Influence	**287.04**	289.27
vii) Services Rendered		
Companies in which KMP or their relatives having Significant Influence	**0.24**	31.55
viii) Remuneration		
Key management personnel	**130.73**	153.53
Relatives of key management personnel	**-**	30.00
ix) Amount outstanding at the year end:		
Receivables		
a) Subsidiary	**-**	15.93
b) Companies in which KMP or their relatives having Significant Influence	**21.53**	5.60
Payables		
a) Companies in which KMP or their relatives having Significant Influence	**286.45**	310.93
b) Relatives of key management personnel	**115.00**	115.00
x) Amount written off during the year	Nil	Nil

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
5) AS 19 - Accounting for leases		
Accounting for lease rentals paid under contract for operating lease and rental on time schedule, charged to revenue as and when incurred. The company has not entered into any contract for finance lease.		
6) AS 20 - Earnings per share		
Net profit/(loss) after tax	**1,053.09**	1,084.60
Weighted average number of shares	**1,29,62,713**	21,604,521
Basic and Diluted earnings per share (₹)	**8.12**	5.02
7) AS 22 - Accounting for taxes on income		
Computed for timing difference in tax treatment of allowances and expenses :		
A. Deferred tax liability:		
Related to fixed assets	**4,056.54**	4,442.49
Related to others	**-**	-
	4,056.54	4,442.49
B. Deferred tax asset :		
Related to provisions	**51.16**	51.51
Related to disallowance	**45.90**	57.17
Related to unabsorbed business loss/depreciation allowance	**-**	-
	97.06	108.68
Net deferred tax liability as at close of the year	**3,959.48**	4,333.81
Net deferred tax liability as at beginning of the year	**4,333.81**	4,258.38
Transferred to Demerged Undertaking	**588.41**	-
Net increase/(decrease) in deferred tax liability	**214.08**	75.43

8) AS 28 - Impairment of assets

The assets of the company have not suffered any impairment as assessed by the Management.

9) AS 29 - Provision, contingent liabilities and contingent assets

a) Provisions : Nil

b) Contingent liabilities

Contingent liabilities are not provided for, but disclosed in the notes on accounts.

c) Contingent assets

i) In the opinion of the management there are no contingent assets.

ii) Contingent assets as a policy are not recognized.

IV DISCLOSURES PURSUANT TO MICRO, SMALL & MEDIUM ENTERPRISES (DEVELOPMENT) ACT, 2006

The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act,2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March,2017 has been made in the financial statements based on information received and available with the company. The company has not received any claim for interest from any supplier under the said Act.

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
The Principal amount and the interest due thereon (remaining unpaid to any supplier as at the end of each accounting year)		
Principal	Nil	Nil
Interest	Nil	Nil
The amount of interest paid by the company along with the amount of the payments made to the supplier beyond the appointed day during the period	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the period	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

V SPECIFIED BANK NOTES (PUSUANT TO MCA NOTIFICATION NO. GSR 308(E) [F.NO.17/62/2015-CL-V-(VOL.I)], DATED 30-3-2017)

During the year, the Company had specified bank notes or other denomintion note as defined in the MCA NOTIFICATION G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transactes during the period from November 8, 2016 to December 30, 2016, the denomiation wise SBNs and other notes as per the notification is given below :

PARTICULARS	SBN	Other Denomination Notes	Total
Closing Cash in Hand as on November 8, 2016	562,500	803,893	1,366,393
(+) Permitted receipts		4,049,062	4,049,062
(-) Permitted Payments	294,000	4,243,819	4,537,819
(-) Amount deposited in Banks	268,500		268,500
Closing Cash in Hand as on December 30, 2016	-	609,136	609,136

VI OTHER DISCLOSURES

1 DEMERGER OF SPINNING UNIT-1 WITH CONNECTED WIND MILLS :

The National Company Law Tribunal (NCLT) vide their proceedings dated 24th August 2017 in Company Petition No.3598360 of 2016, renumbered as TCP/22823/CAA/2017, approved the scheme for demerger of the business of Spinning Unit - 1 along with connected wind mills, in favour of Shiva Mills Limited (formerly known as STYL Ventures Limited), a wholly owned subsidiary of Shiva Texyarn Limited (Demerged Company). The demerger comes in to effect from 1st April 2015, the appointed day fixed under the Scheme. In the accounts of the Company for the financial year 2016-17 accounting effect has been given for the demerger :

i) For exclusion of assets and liabilities, vested in the resulting company as on the appointed day and for further transactions carried out between the Demerged Company and Resulting Company till 31st March 2017, the net amount of which is shown as "Demerger Adjustment Account" to be adjusted against the paid up share capital and General Reserve of the Company when shares are allotted by the Resulting Company to the share holders of Demerged Company.

ii) For exclusion of the Revenue and Net profits earned by the Demerged business undertakings for the Financial Year 2015-16 and 2016-17 net of current / deferred taxes.

2 Status of income tax, interest tax, wealth tax and fringe benefit tax assessments :

a) The income tax assessments have been completed upto the assessment year 2014-15;

b) No further liability likely to arise as against the completed or pending assessments.

3 In the opinion of Board of Directors :

a) Assets Other than Fixed Assets and Non Current Assets would realize the value stated in the normal course of Business.

b) There are no overdue payments to Micro, Small and Medium Enterprises attracting interest in terms of Micro, Small & Medium Enterprises (Development) Act, 2006.

c) There are no amounts required to be transferred to Central Government under the Investor Education and Protection Fund.

4 Previous year figures are not comparable as said figures represent the figures pertaining to the company as a whole including the assets / liabilities and revenue / profits of the demerged business undertakings.

Signatories for notes and additional notes which form part of Balance Sheet and Statement of profit and Loss

Subject to our report of even date attached
For VKS AIYER & Co
Chartered Accountants
R UMAMAHESWARI
Partner
Membership No. 221962

Coimbatore
1st November 2017

For and on behalf of the Board

S V ALAGAPPAN
Chairman
DIN 00002450

S V ARUMUGAM
Director
DIN 00002458

S K SUNDARARAMAN
Managing Director
DIN 00002691

C KRISHNAKUMAR
Chief Financial Officer

R SRINIVASAN
Company Secretary
ACS No. 21254

INDEPENDENT AUDITORS' REPORT

To

The Members of
Shiva Texyarn Limited
Coimbatore

1. Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of Shiva Texyarn Limited ("the Holding Company") and its subsidiary (the Holding Company and its Subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Consolidated Financial Statements

The Holding 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 Consolidated 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 accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Group as at 31st March, 2017, and its Profit and its cash flows for the year ended on that date.

5. Emphasis Matter

We draw attention to Note No. 31(VI)(1), Other Notes to Consolidated Financial Statements which explains in brief the scheme of demerger of Spinning Unit -1 with connected wind mills owned by the Holding Company in favour of its Wholly Owned Subsidiary and the treatment of intra group balances in the Consolidated Financial Statements.

6. Report on Other Legal and Regulatory Requirements

1. 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 Consolidated 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 the directors as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and its Subsidiary Company, none of the directors is disqualified as on 31st March, 2017 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 Holding Company and its Subsidiary Company and the operating effectiveness of such controls, refer to our separate report in **Annexure - A.**

   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 Group does not have any pending litigations which would impact its financial position.

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

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

Annexure - A to 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")

In conjunction with our audit of the Consolidated financial statements of Shiva Texyarn Limited ("the Holding Company) as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its Subsidiary Company being Shiva Mills Limited as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Company are 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 the respective 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 Holding Company and its Subsidiary Company have, 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, 2017, 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 VKS AIYER & Co
Chartered Accountants
ICAI Firm Regn. No. 000066S
R UMAMAHESWARI
Partner
Membership No. 221962

Place : Coimbatore
Date : 1st November 2017

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

(₹ in lakhs)

Particulars	Note No.	As at 31.3.2017	As at 31.3.2016
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share capital	2	**2,160.45**	2,160.45
b) Reserves and surplus	3	**15,239.04**	13,730.06
Sub total [1]		**17,399.49**	15,890.51
2. Share application money pending allotment			
3. Non-current liabilities			
a) Long-term borrowings	4	**6,513.32**	8,740.11
b) Deferred tax liabilities (net)	5	**4,575.43**	4,333.81
c) Other long-term liabilities	6	**14.08**	17.41
d) Long-term provisions		-	-
Sub total [3]		**11,102.83**	13,091.34
4. Current liabilities			
a) Short-term borrowings	7	**12,845.74**	11,585.69
b) Trade payables	8	**4,759.47**	2,278.43
c) Other current liabilities	9	**5,057.76**	4,801.01
d) Short-term provisions	10	**579.15**	419.03
Sub total [4]		**23,242.12**	19,084.16
Total [1+2+3+4]		**51,744.44**	48,066.01
II. ASSETS			
1. Non-current assets			
a) Property, Plant and Equipment	11		
i) Tangible assets		**29,500.35**	28,896.88
ii) Intangible assets		**49.32**	31.74
iii) Capital work-in-progress		**6.05**	706.28
iv) Intangible assets under development		-	-
		29,555.72	29,649.46
b) Non-current investments	12	**58.54**	103.61
c) Deferred tax assets (net)			
d) Long-term loans and advances	13	**2,998.43**	2,910.12
e) Other non-current assets			
Sub total [1]		**32,612.69**	32,668.20
2. Current assets			
a) Current investments			0.00
b) Inventories	14	**11,099.04**	9,174.24
c) Trade receivables	15	**5,692.24**	3,922.32
d) Cash and cash equivalents	16	**1,112.51**	793.82
e) Short-term loans and advances	17	**839.07**	795.37
f) Other current assets	18	**388.89**	731.62
Sub total [2]		**19,131.75**	15,397.83
Total [1+2]		**51,744.44**	48,066.01

To be read with accompanying notes forming part of the Financial Statements

Subject to our report of even date attached
For VKS AIYER & Co
Chartered Accountants
R UMAMAHESWARI
Partner
Membership No. 221962

Coimbatore
1st November 2017

For and on behalf of the Board

S V ALAGAPPAN
Chairman
DIN 00002450

S V ARUMUGAM
Director
DIN 00002458

S K SUNDARARAMAN
Managing Director
DIN 00002691

C KRISHNAKUMAR
Chief Financial Officer

R SRINIVASAN
Company Secretary
ACS No. 21254

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

(₹ in lakhs)

	Particulars	Note No.	Year ended 31.3.2017
A.	CONTINUING OPERATIONS		
I.	Revenue from operations	19	**55,873.41**
II.	Other Income	20	**249.54**
III.	Total revenue (I+II)		**56,122.95**
IV.	Expenses :		
	a) Cost of materials consumed	21	**34,658.01**
	b) Purchase of stock-in-trade	22	**83.74**
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	**249.91**
	d) Employee benefits expense	24	**4,365.08**
	e) Finance costs	25	**2,690.61**
	f) Depreciation and amortisation expense	26	**1,768.69**
	g) Other expenses	27	**9,607.21**
	Total expenses		**53,423.25**
V.	Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		**2,699.70**
VI.	Exceptional items	28	
VII.	Profit/(Loss) before extraordinary items and tax (V+VI)		**2,699.70**
VIII.	Extraordinary items		-
IX.	Net Profit/(loss) before tax (VII+VIII)		**2,699.70**
X.	Tax expense:		
	a) Current tax	29	**951.67**
	b) Deferred tax	30	**241.62**
XI.	Profit/(loss) for the period from continuing operations (IX-X)		**1,506.41**
B.	**DISCONTINUING OPERATIONS**		
XII.	Profit/(Loss) from discontinuing Operations		
XIII.	Tax expense of discontinuing operations		
XIV.	Profit/(Loss) from discontinuing operations (XII-XIII)		-
XV.	Profit/(loss) for the period (XI+XIV)		**1,506.41**
XVI.	Earnings per Share - Basic & Diluted (Rs.)		**6.96**
	To be read with accompanying notes forming part of the Financial Statements		

Subject to our report of even date attached
For VKS AIYER & Co
Chartered Accountants
R UMAMAHESWARI
Partner
Membership No. 221962

Coimbatore
1st November 2017

For and on behalf of the Board

S V ALAGAPPAN
Chairman
DIN 00002450

S V ARUMUGAM
Director
DIN 00002458

S K SUNDARARAMAN
Managing Director
DIN 00002691

C KRISHNAKUMAR
Chief Financial Officer

R SRINIVASAN
Company Secretary
ACS No. 21254

NOTE : 1 - SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

The accounts are prepared under the historical cost convention applying accrual method of accounting and as a going concern, in accordance with the generally accepted accounting principles and Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions to be made that affect the reported amounts of revenues, expenses assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustments to the carrying amounts of assets or liabilities.

3. Property Plant and Equipment

Property, Plant and Equipment (PPE) are stated at cost. Cost comprises the acquisition cost and all attributable expenses including the cost of borrowings, taxes and duties (net of Cenvat and VAT input credits availed) wherever applicable, of bringing the asset to its working condition for its intended use.

Machinery Spares including spare parts, stand-by and servicing equipment are capitalised as property, plant and equipment if they meet the definition of property, plant and equipment. These spare parts capitalised are depreciated as per Schedule II to the Companies Act, 2013.

The company identifies and determines the cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Depreciation has been charged on Straight Line Method adopting the useful life of the assets prescribed under the Schedule II to the Companies Act, 2013.

In respect of PPE put into use during the year, pro rata depreciation is charged based on written down value basis so as to write off the cost of the assets over the useful lives as prescribed in Schedule II to the Companies Act 2013.

4. Investments

Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

Investments are treated as non-current investments and are maintained at cost; provision for diminution in value, other than temporary, has been made wherever required.

Investments in lands and buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation.

5. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other overhead costs incurred in bringing the inventories to their present location and condition. The methods of determining cost of various categories of inventories are as follows:

i.	Raw materials - cotton	-	at weighted average cost method
ii.	Packing materials, stores and spares	-	at weighted average cost method
iii.	Stock in Process	-	at weighted average cost method including appropriate production overhead
iv.	Finished goods	-	at weighted average method including appropriate production overhead
v.	By Product	-	at since realised/realisable value

6. Revenue Recognition :

Revenue recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales are accounted for on transfer of property in goods to the buyers for a definite consideration; Sales excludes exchange fluctuation gain/loss realized or incurred during the year in respect of export sales for subsequent change in exchange rates after negotiation of documents.

Revenue from operations include receipts incidental to export such as income from import entitlement and premium on sale of such entitlement etc.

Income from investments in shares is accounted for in the year, in which the right to receive the yield are definite.

7. Foreign Currency Transactions

Receivables on account of exports, backed by irrevocable letter of credit of customer's bankers are accounted for at the exchange rate as negotiated by the bankers at the time of discounting of export bills.

All other foreign currency transactions have been accounted at the rates negotiated by the bankers or at the forward contract rates wherever applicable; exchange fluctuation on revenue account has been charged to revenue.

8. Excise Duty

Excise duty if any is consistently accounted for on clearance basis.

9. Accounting for Taxes on Income

Income tax expense is accounted for in accordance with AS 22 - "Accounting for taxes on income" prescribed under the Companies (Accounting Standards) Rules, 2006 which includes current taxes and deferred taxes.

Current taxes reflect the impact of tax on income of the previous year as defined under the Income Tax Act, 1961 as per applicable rates.

Deferred taxes reflect the impact of Current Year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available.

10. Impairment of Assets

Impairment loss from fixed assets is assessed as at the close of each financial year and appropriate provision, if required, is considered in the accounts.

11. Borrowing Costs

Interest on borrowings, if any attributed to acquisition of qualifying assets are capitalized and included in the cost of the assets upto the date the assets are ready for intended use. Other borrowing costs are recognized as an expenses in the year in which they are incurred.

12. Earnings per Share

Basic Earnings per share is calculated by dividing the Net Profit after tax attributable to the shareholders by the weighted average number of Equity Shares outstanding during the year.

13. Employee Benefits

Gratuity, which is a defined benefit, has been accounted for an actuarial valuation by contribution to an approved gratuity fund established under Life Insurance Corporation of India (LIC) group gratuity scheme; difference in payment of gratuity to employees is being accounted in the year of settlement of such liability.

Contributions payable to Recognized Provident Funds and Employees State Insurance scheme, which is a defined contribution, are determined based on the statutory rates in force and remitted to the competent authority, and is charged to the Statement of Profit and Loss.

14. Related Party Transactions

Irrespective of the materiality, all the transactions between related parties during the existence of related party relationship has been disclosed as required by the Accounting Standard 18 prescribed under the Companies (Accounting Standards) Rules, 2006. Items of the similar nature has been disclosed in aggregate by type of related party except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements.

15. Provisions, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

16. Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Cash and cash equivalents include cash on hand and balance with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent balances that are not available for use by the company.

17. CENVAT, State VAT, Service Tax for Inputs

CENVAT Credit availed, if any, has been adjusted against Central Excise duty incurred on finished goods dispatched and unutilised deferred CENVAT Credit are carried over as advance.

STATE VAT – Input Credit against Capital goods are adjusted against relevant asset and net amount capitalized; Input credit against remaining goods are accounted for by adjustments against cost of relevant goods; Unadjusted State VAT is carried over as advance.

18. Operating Leases

Leases, where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating Leases and lease rentals thereon charged to the Statement of Profit and Loss.

19. Research and Development

Revenue expenditure incurred on research and development is expensed as incurred. Capital expenditure incurred on research and development is depreciated over the estimated useful lives of the related assets.

20. Dividends

Final Dividends on shares are recorded as a liability on the date of approval by the Share Holders and Interim Dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

21. Government Grants

Government Grants relating to depreciable assets are reduced from the cost / written down value of the asset.

Government Grants relating to non depreciable assets requiring fulfillment of any obligation is recognized as income over the same period over which the cost of the meeting such obligations is charged to income.

CONSOLIDATED CASH FLOW STATEMENT

(₹ in lakhs)

Particulars	Year ended 31.3.2017		Year ended 31.3.2016	
A. Cash flow from operating activities:				
Net profit/(loss) before extraordinary items and tax		**2,699.70**		1,454.54
Adjustments for :				
Depreciation and amortisation	**1,768.69**		1,709.40	
Profit on sale of fixed assets	**(144.09)**		(4.26)	
Loss on sale of fixed asets	**0.72**		8.40	
Finance costs	**2,690.61**		2,348.96	
Interest income	**(46.27)**		(35.89)	
Dividend Income	**(0.73)**		(1.15)	
Gain on sale of investments	**-**		-	
Loss on sale of investments	**-**		-	
Rental income from investment properties	**(8.18)**		(10.23)	
Rental income from operating leases	**-**		-	
Adjustments to carrying amount of investments (net)	**(10.57)**		12.99	
Security deposit on lease written back	**-**		-	
Deferred expenses written off	**-**		-	
Write back of excess provision for Dividend Distribution Tax	**2.57**		-	
Impairment loss on assets leased written off	**-**		-	
		4,252.74		4,028.21
Operating profit/(loss) before working capital changes		**6,952.44**		5,482.75
Changes in working capital :				
Adjustments for (increase)/decrease in operating assets :				
Inventories	**(1,924.80)**		(1,283.91)	
Trades receivables	**(1,769.92)**		(436.20)	
Short-term loans and advances	**(43.69)**		(141.69)	
Long-term loans and advances	**(58.28)**		(14.10)	
Other current assets	**328.16**		(158.96)	
Other non-current assets	**-**		-	
Adjustments for increase/(decrease) in operating liabilities :				
Trades payables	**2,481.05**		(849.14)	
Other current liabilities	**256.75**		434.91	
Other long-term liabilities	**(3.32)**		(13.05)	
Short-term provisions	**448.73**		23.36	
Long-term provisions	**-**		-	
		(285.33)		(2,438.77)
Cash generated from operations		**6,667.11**		3,043.98
Cash flow from extraordinary items		**-**		-
		6,667.11		3,043.94
Direct Taxes		**(951.67)**		(294.51)
Net cash flow from Operating Activities		**5,715.43**		2,749.47

CONSOLIDATED CASH FLOW STATEMENT (Contd...)

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
B. Cash flow from investing activities :		
Capital expenditure on fixed assets	**(1,734.86)**	(1,480.83)
Capital advances for fixed assets	**(30.03)**	239.94
Sale of fixed assets (including Investment Property)	**255.24**	11.63
Purchase of investment property	**-**	-
Sale of investments	**5.71**	-
Purchase of Investments	**(2.05)**	(7.01)
Interest received	**46.27**	35.89
Dividend received	**0.73**	1.15
Rental income from investment properties	**8.18**	10.23
Rental income from operating leases	**-**	-
Sale of /write back of security deposit on assets leased	**-**	-
Adjustement on account of Demerger	**-**	-
Net cash flow from investing activities	**(1,450.79)**	(1,189.00)
C. Cash flow from financing activities :		
Increase/(decrease) in long-term borrowings	**(2,226.79)**	(749.66)
Increase/(Decrease) in working capital borrowings	**1,260.04**	1,927.93
Finance costs	**(2,690.61)**	(2,348.96)
Dividend paid	**(237.65)**	(216.05)
Tax on dividend paid	**(50.95)**	(43.98)
Net cash flow from financing activities	**(3,945.96)**	(1,430.72)
Net increase in cash and cash equivalents	**318.68**	129.75
Cash and cash equivalents at the beginning of the year	**793.83**	664.08
Cash and cash equivalents at the end of the year	**1,112.50**	793.83

Subject to our report of even date attached
For VKS AIYER & Co
Chartered Accountants
R UMAMAHESWARI
Partner
Membership No. 221962

Coimbatore
1st November 2017

For and on behalf of the Board

S V ALAGAPPAN
Chairman
DIN 00002450

S V ARUMUGAM
Director
DIN 00002458

S K SUNDARARAMAN
Managing Director
DIN 00002691

C KRISHNAKUMAR
Chief Financial Officer

R SRINIVASAN
Company Secretary
ACS No. 21254

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE 2 : SHARE CAPITAL		
Particulars of each class of Share Capitals :		
Authorised:		
2,20,00,000 Equity shares of ₹10/- each	**2,200.00**	2,200.00
Issued, subscribed and paid up :		
2,16,04,521 Equity shares of ₹10/- each fully paid up	**2,160.45**	2,160.45
(Refer notes (i) to (vii) below)	**2,160.45**	2,160.45
Notes:		
i) Reconciliation in number and amount of Shares :		
Opening balance (Equity shares @ ₹10/- each)		
- Number of shares	**2,16,04,521.00**	2,16,04,521.00
- Amount of shares	**2,160.45**	2,160.45
Closing balance (Equity shares @ ₹10/- each)		
- Number of shares	**2,16,04,521**	2,16,04,521
- Amount of shares	**2,160.45**	2,160.45
ii) Shares held by the Holding Company or subsidiary or their associates:	**Nil**	Nil
iii) Specified details on each class of shares for a period of five years immediately preceding the date as at which Balance Sheet is prepared :-		
a) Aggregate Number and class of Shares alloted for contract without payment being received in cash	**Nil**	Nil
b) Aggregate number and Class of shares alloted as fully paid by way of bonus shares (Fully paidup)	**Nil**	Nil
c) Aggregate number and Class of shares bought back	**Nil**	Nil

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
iv) Details of shareholders holding more than 5% of shares:		
Name of the shareholders :		
Equity shares :		
a) Vedanayagam Hospital Limted		
- Number of shares	**1,01,10,667**	1,01,10,667
- % of holding	**46.80%**	46.80%
b) Annamallai Retreading Company Private Limited		
- Number of shares	**50,83,577**	50,83,577
- % of holding	**23.53%**	23.53%
v) Rights, Preferences and restrictions attaching to each class of shares including restrictions on distribution of dividends and repayments of capital:		
The Company has only one class of equity shares having par value of Rs.10/- each; Each equity share carries one vote; the shares carry equal right with respect to payment of dividend and repayment of capital in any event.		
vi) Terms of any securities convertible into Equity/Preference Shares issued along with earliest date of conversion in descending order starting from earliest such date : Not applicable		
vii) Shares reserved for issue under option and Contract / Commitments for the sale of shares / disinvestment including terms and amounts : Not applicable		
NOTE 3 : RESERVES AND SURPLUS		
a) Capital reserve : Opening balance	**11.77**	11.77
Add: Additions during the year	**-**	-
	11.77	11.77
Less: Utilised during the year	**-**	-
Closing balance	**11.77**	11.77
b) Securities premium : Opening balance	**2,243.01**	2,243.01
Closing balance	**2,243.01**	2,243.01
c) General reserve : Opening balance	**11,105.72**	10,355.72
Add: Transferred from surplus in Statement of Profit and Loss	**-**	750.00
Closing balance	**11,105.72**	11,105.72

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,) (₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
d) Surplus in Statement of Profit and Loss:		
Opening balance	**369.57**	322.34
Add : Profit/(loss) after tax for the year	**1,506.40**	**1**,084.60
Add: Excess Provision for Dividend Distribution Tax	**2.57**	-
	1,878.54	1,406.94
Less : i) Dividend proposed to be distributed to equity shareholders	**-**	237.65
ii) Tax on proposed dividend	**-**	49.73
iii) Transfer to General reserve	**-**	750.00
iv) Contribution by Unit- I (Resulting Company) - FY 15-16	**-**	-
Closing balance	**1,878.54**	369.56
Total (a+b+c+d)	**15,239.04**	13,730.06
NOTE 4 : LONG-TERM BORROWINGS		
a) Term loans from Banks (Refer note (i) below) Secured	**6,301.60**	8,594.75
b) Loans and advances from related parties (Refer note (ii) below) Unsecured	**115.00**	115.00
c) Hire purchase finance from Banks (Refer note (iii) below) Secured	**96.72**	30.36
	6,513.32	8,740.11

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
Notes :		
i) Details of terms of repayment, security provided and loans guaranteed by the Directors or others - Term loans from banks (Secured) :-		

Name of the bank	Terms of repayment	Nature of security		
a) Indian Overseas Bank	Repayable in 96 monthly instalments varying from ₹15.00 to ₹49.00 lakhs each, commencing from April, 2012	Hypothecation of windmills and equitable mortgage of related lands in Tirupur district, Tamilnadu	**1,068.00**	1,512.00
b) Indian Overseas Bank	Repayable in 32 quarterly instalments of ₹250.00 lakhs each, commencing from September, 2010	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	**250.00**	1,249.49
c) Canara Bank	Repayable in 32 quarterly instalments of ₹186.00 lakhs each, commencing from March, 2011	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	**550.58**	1,294.58
d) State Bank of Hyderabad	Repayable in 32 quarterly instalments of ₹154.00 lakhs each, commencing from March, 2010	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	**-**	443.39
e) Uco Bank	Repayable in 32 quarterly instalments of ₹16.41 lakhs each, commencing from September, 2010	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	**37.52**	103.08
f) Bank of Maharastra	Repayable in 30 quarterly instalments of ₹40.00 lakhs each, commencing from December, 2009	First charge on the immovables and hypothecation of movables of spinning unit-I of the Company	**-**	62.20

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,) (₹ in lakhs)

Particulars				As at 31.3.2017	As at 31.3.2016
	Name of the bank	Terms of repayment	Nature of security		
g)	Bank of Baroda	Repayable in 27 quarterly instalments of ₹90.00 lakhs each & ₹70.00 lakhs (for the last instalment) each, commencing from August, 2011	First charge on the immovables and hypothecation of movables of spinning unit-I of the Company	**70.00**	430.00
h)	Axis Bank	Repayable in 25 quarterly instalments commencing from March 2016 under step up method	First charge on the Windmills of the Company having a capacity of 13.195 MW in Coimbatore and Tirupur Districts	**2,062.50**	2,250.00
i)	ICICI Bank Ltd	Repayable in 16 equal quarterly instalments commencing from February 2015	First charge on the immovables and hypothecation of movables of spinning unit - I of the Company	**888.00**	1,250.00
j)	The Karur Vysya Bank Ltd	Repayable in 60 monthly instalments of ₹ 25 lakhs each commencing from November 2017	Exclusive EM charge on vacant land belonging to Associate Company	**1,375.00**	-
				6,301.60	8,594.75
[The above loans in Sl. Nos.(a) to (j) rank pari pasu as per agreement executed between the lending banks and the company]					
ii)	**Loans and advances from related parties**				
	Unsecured :				
	Loans from Directors			**115.00**	115.00
				115.00	115.00

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars			As at 31.3.2017	As at 31.3.2016
iii) Details of terms of repayment and security provided Hire purchase finance from banks (Secured):				
Name of the bank	Terms of repayment	Nature of security		
a) Karur Vysya Bank	Repayable in 24 monthly instalments commencing from December, 2015	Hypothecation of motor car	**82.24**	6.17
b) Kotak Mahindra Prime Ltd	Repayable in 60 monthly instalments of varying amounts commencing from August, 2014	Hypothecation of motor car	**14.48**	24.19
			96.72	30.36
iv) Continuous defaults in repayment of loans and interest			Nil	Nil
NOTE - 5 : DEFERRED TAX LIABILITIES (NET)				
a) Deferred tax liability : Opening balance			**4,442.49**	4,328.08
Add: Additions during the year			**283.48**	114.41
			4,725.97	4,442.49
Less: Reversed during the year			**-**	-
Less: Transferred on Account of Demerger			**-**	-
Closing balance			**4,725.97**	4,442.49
b) Deferred tax asset : Opening balance			**108.68**	69.70
Add: Additions during the year			**41.85**	38.98
			150.53	108.68
Deferred tax liability (Net) (a) - (b)			**4575.44**	4,333.81

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE - 6 : OTHER LONG-TERM LIABILITIES		
i) Trade / Security deposits received	**11.00**	11.00
ii) Income received in advance	**3.08**	3.11
iii) Rent deposit received	**-**	3.30
	14.08	17.42
NOTE - 7 : SHORT-TERM BORROWINGS		
Loans repayable on demand:		
From banks (Refer note below)		
Secured	**12,845.74**	11,585.68
	12,845.74	11,585.68

Notes :

Details of security provided and loans guaranteed by the Directors or others

Name of the bank	Terms of repayment	Nature of security		
a) Short term loan				
ICICI Bank Ltd	Repayable in full on demand	Hypothecation of inventories and trade receivables	**600.00**	250.00
b) Working capital loans				
i) Indian Overseas Bank - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	**4,502.13**	2710.56
ii) Indian Overseas Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	**476.40**	1018.62
iii) Bank of Baroda Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	**2,177.92**	1966.58
iv) Canara Bank - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	**1,968.11**	1510.22

NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars				As at 31.3.2017	As at 31.3.2016
	Name of the bank	Terms of repayment	Nature of security		
v)	KVB- PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	-	134.54
vi)	KVB- Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	**1,283.66**	1905.03
vii)	Allahabad Bank Cash Credit / PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	-	0.11
viii)	IOB ILC	Repyable on demand	Hypothecation of inventories and trade receivables	-	200.59
ix)	Canara Bank - ILC	Repayable on demand	Hypothecation of inventories and trade receivables	-	139.68
x)	ICICI Bank - ILC	Repayable on demand	Hypothecation of inventories and trade receivables	**837.52**	249.75
xi)	Kotak Mahindra Bank Short Term Loan	Repayable on demand	Hypothecation of inventories and trade receivables	-	1,500.00
xii)	HDFC Bank	Repayable on demand	Hypothecation of inventories and trade receivables	**1,000.00**	-
				12,845.74	11,585.68

[The above loans in Sl. Nos.(a) and (b)(i) to (b)(xii) rank pari pasu as per agreement executed between the lending banks and the company]

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE 8 : TRADE PAYABLES		
a) Micro, Small and Medium Enterprises	**-**	-
b) Others	**4,759.47**	2,278.43
	4,759.47	2,278.43
NOTE 9 : OTHER CURRENT LIABILITIES		
a) Current maturities of long-term debt (Refer note (i) below)	**3,992.68**	4,132.23
b) Interest accrued and due on loans (Refer note (ii) below)	**58.50**	96.00
c) Income received in advance	**0.02**	0.03
d) Unclaimed dividends	**28.10**	26.74
e) Unclaimed matured deposits and interest accrued thereon	**9.18**	9.18
f) Other payables	**969.28**	536.83
	5,057.76	4,801.01
Notes :		
i) Current maturities of long-term debt		
a) Term loans from Banks (Secured) :		
Axis Bank	**187.50**	250.00
Indian Overseas Bank	**1,444.00**	1,420.00
Canara Bank	**744.00**	744.00
State Bank of Hyderabad	**443.39**	616.00
Uco Bank	**65.64**	65.64
Bank of Maharastra	**61.43**	159.71
Bank of Baroda	**360.00**	360.00
ICICI Bank Ltd	**527.00**	500.00
K V B	**125.00**	-
b) Hire purchase finance from Banks (Secured) :		
K V B - Car Loan	**22.41**	-
HDFC Bank - Car Loan	**2.60**	8.07
Kotak Mahindra Prime Limited	**9.71**	8.81
c) Deposits :		
Public deposits (Unsecured)	**-**	-
	3,992.68	4,132.22

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
ii) Interest accrued and due on loans		
Term loans from Banks:		
Indian Overseas Bank	**28.79**	40.85
State Bank of Hyderabad	**5.89**	12.88
Uco Bank	**1.40**	2.23
Bank of Maharastra	**-**	2.73
Bank of baroda	**1.05**	-
Axis Bank	**21.37**	23.89
Kotak Mahindra Prime Limited	**-**	13.42
	58.50	96.00
[Terms of securities and guarantees disclosed in Note No.4 also apply to current maturities and interest accrued and due on long term borrowings]		
NOTE - 10 : SHORT-TERM PROVISIONS		
Employee benefits :		
a) Provision for bonus	**116.32**	109.04
b) Provision for gratuity	**-**	17.11
Others :		
a) Provision for tax (Net of advance tax)	**462.83**	4.28
b) Provision for proposed dividend	**-**	237.65
c) Provision for tax on dividend	**-**	50.95
	579.15	419.03

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

NOTE 11 : FIXED ASSETS

(₹ in lakhs)

Sl. No.	Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
		As at 1.4.2016	Additions / Transfers	Deletions / Transfers	**As at 31.3.2017**	As at 01.4.2016	For the Year	Withdrawn/ Deletions	**As at 31.3.2017**	**As at 31.3.2017**	As at 31.3.2016
A	Tangible assets -										
1	Land :										
	Own	392.42	9.03	4.90	396.55	-	-	-	-	396.55	392.42
	Lease Hold	33.11	-	-	33.11	1.48	0.33	-	1.81	31.30	31.63
2	Buildings :										
	Non-Factory Buildings (RCC)	1,062.26	19.02	-	1,081.28	99.68	17.49	-	117.17	964.11	962.58
	Non-Factory Buildings (Other than RCC)	235.17	-	-	235.17	66.25	9.86	-	76.11	159.06	168.92
	Factory Buildings (RCC & Non-RCC)	6,884.31	806.74	-	7,691.05	1,394.69	226.49	-	1,621.18	6,069.87	5,489.62
	Fences, Wells, Tube wells	44.80	4.42	-	49.22	12.00	3.68	-	15.68	33.54	32.80
	Temporary Structure, etc	35.64	-	-	35.64	10.07	1.54	-	11.61	24.03	25.57
3	Plant and equipments				-				-	-	-
	Plant and Machieries (General)	24,495.74	1,341.01	61.03	25,775.72	8,705.28	932.92	6.10	9,632.10	16,143.62	15,790.46
	Plant and Machieries (Special)				-				-	-	-
	-Windmills	12,102.48	-	-	12,102.48	6,670.49	455.37	-	7,125.86	4,976.62	5,431.99
4	Furnitures and fixtures	169.06	23.65	-	192.71	69.39	15.80	-	85.19	107.52	99.67
5	Vehicles										
	Two Wheelers	6.86	-	-	6.86	4.50	0.32	-	4.82	2.04	2.36
	Lorries (Running on hire)										
	Lorries (Other than running on hire)	76.11	-	-	76.11	36.11	9.85	-	45.96	30.15	40.00
	Motor Cars (Own use)	241.05	130.42	4.81	366.66	85.97	26.54	4.57	107.94	258.72	155.08
6	Office Equipments	243.94	38.34	-	282.28	161.12	27.29	-	188.41	93.87	82.82
7	Computers and Data Processing Units :										
	Servers and Networks										
	Computers, Printers, UPS, etc.	64.51	13.44	-	77.95	50.84	8.25	-	59.09	18.86	13.67
	Lab Equipments	182.24	3.93	-	186.17	97.96	7.64	-	105.60	80.57	84.28
	Electrical Installations	122.69	29.40	-	152.09	29.67	12.50	-	42.17	109.92	93.02
	TOTAL (A)	46,392.39	2,419.40	70.74	48,741.05	17,495.50	1,755.87	10.67	19,240.70	29,500.35	28,896.89
B	Intangible assets										
1	Computer software	92.45	15.67	-	108.12	60.72	9.01	-	69.73	38.39	31.73
2	Know how	18.21	-	-	18.21	3.64	3.64	-	7.28	10.93	14.57
	Total (B)	110.66	15.67	-	126.33	64.36	12.65	-	77.01	49.32	46.30
C	Capital work-in-progress									-	
	Buildings	688.43	350.33	1,032.71	6.05	-	-	-	-	6.05	688.43
	Machinery	17.85	2.37	20.22	-	-	-	-	-	-	17.85
	Electrical Installaitons										
	Computer										
	Furnitures & Fixtures										
	TOTAL (C)	706.28	352.70	1,052.93	6.05	-	-	-	-	6.05	706.28
D	Intangible assets under construction										
	Total (D)										
	Total (A+B+C)	47,209.33	2,787.77	1,123.67	48,873.43	17,559.86	1,768.52	10.67	19,317.71	29,555.72	29,649.47
	Total for the Previous Year	45,742.93	2,286.70	838.52	47,191.11	15,865.34	1,707.76	16.88	17,556.21	29,634.90	29,877.59

Depreciation on Lease hold land denotes the amount of cost amortised and written off over the tenure of 99 years for which the company has entered into a registered lease for industrial plot acquired from SIPCOT

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE 12 : NON-CURRENT INVESTMENTS		
a) Investment property (Refer note (i) below)	**12.40**	64.37
b) Investment in equity instruments (Refer note (ii) below)	**46.14**	39.23
Total	**58.54**	103.60
i) Investment property		
Nature of property:		
Lands	**5.71**	5.71
Buildings (Refer notes (a) to (c) below)	**6.69**	58.66
	12.40	64.37
Notes :		
a) Original cost		
Buildings	**11.35**	84.61
	11.35	84.61
b) Accumulated depreciation		
Buildings	**4.67**	25.95
	4.67	25.95
c) Written down value		
Buildings	**6.68**	58.66
	6.68	58.66

ii) Investment in equity instruments

Name of the Company	No. of shares	Face value	Market value	Current year cost	Previous year cost
A) Quoted :					
Arvind Liquid Gases Ltd	1,000	10	0.01	0.41	0.41
Dyna Lamps & Glass Works Ltd	20,000	10	0.20	2.00	2.00
Eastern Sugars & Industries Ltd	1,7500	10	0.18	1.75	1.75
Hindalco Industries Ltd	20	1	0.04	0.02	0.02
ICICI Bank	7,325	2	20.30	8.89	8.89
IDBI Ltd	640	10	0.48	0.37	0.37

Name of the Company	No. of shares	Face value	Market value	Current year cost	Previous year cost
IFCI Ltd	14,100	10	4.19	11.29	11.29
KG Denim Ltd	5,000	10	4.53	0.85	0.85
NEPC India Ltd	13,000	10	0.13	6.66	6.66
Ponni Sugars & Chemicals Ltd	3,030	10	0.03	0.40	0.40
Shree Karthik Papers Ltd	30,000	5	0.30	3.00	3.00
State Bank of India	500	1	1.47	0.58	0.58
Steel Authority of India Ltd	1,000	10	0.61	0.62	0.62
Sesa Sterlite Ltd (Vedanta Ltd)	5,430	1	14.92	15.22	15.22
Super Sales Agencies Ltd	2,300	10	13.45	3.38	3.38
Telephone Cables Ltd	1,000	10	0.01	1.34	1.34
VGP Finance Ltd	500	10	0.01	0.05	0.05
Sterlite Technologies Ltd	700	2	0.88	0.73	0.73
Total			**61.72**	**57.54**	**57.54**
B) Unquoted :					
Arun Fuels Ltd	100	10		0.10	0.10
The Catholic Syrian Bank Ltd	10,000	10		3.20	3.20
Sakthi Beverages Ltd	20,000	10		2.00	2.00
Tulya Alloy Castings Ltd	1,200	10		0.12	0.12
ARS energy	200	10		2.35	0.86
OPG Metals Private Limited	63,000	10		2.99	8.14
Cauvery Power Pvt Limited				-	-
Total				**10.76**	**14.42**
C) ABSTRACT :					
Aggregate amount of quoted investments				57.54	57.54
Market value of quoted investments				61.72	45.50
Aggregate amount of unquoted investments				10.76	14.42
Aggregate amount of equity investments				68.30	71.96
Less : Provision for diminution in value of investments				22.15	32.72
Net carrying amount of equity investments				46.14	39.23

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE 13 : LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Capital advances	**167.14**	137.11
b) Security deposit	**429.51**	379.34
c) Prepaid expenses	**15.43**	15.60
d) Advance income tax (Net of provision)	**-**	-
e) MAT credit entitlement	**2,321.43**	2321.43
f) Other loans and advances	**64.93**	56.64
	2,998.43	2,910.12
Long terms loans and advances due by Directors/Officers, due by Firm or Private Limited Companies in which any Director is a Partner or Director		
NOTE - 14 : INVENTORIES		
a) Raw materials	**7,319.49**	5477.70
b) Work-in-progress (Refer note below)	**623.57**	571.40
c) Finished goods	**2,312.25**	2525.44
d) Stores and Spares	**733.58**	514.36
e) By-products	**110.15**	85.34
	11,099.04	9,174.24
Note :		
Work-in-progressCotton	**462.68**	372.28
Yarn	**45.08**	18.44
Fabric	**115.81**	180.68
	623.57	571.40
NOTE - 15 : TRADE RECEIVABLES		
a) Trade receivables outstanding for a period exceeding six months		
- Unsecured, considered good	**48.48**	62.04
- Doubtful	**112.09**	123.06
	160.57	185.10
Less: Provision for doubtful debts	**125.66**	123.06
	34.91	62.04
b) Other trade receivables		
- Unsecured, considered good	**5,657.33**	3,860.28
	5,692.24	3,922.32
[Trade receivables due by Directors/Officers, due by Firms or Private limited companies in which any director is a partner or director]	**-**	-

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
NOTE - 16 : CASH AND CASH EQUIVALENTS		
a) Cash on hand	**12.15**	12.99
b) Cheques, drafts on hand	**30.26**	69.12
c) Balances with banks :		
i) In current/cash credit accounts	**842.56**	536.77
ii) In deposit/margin money accounts (Refer note below)	**199.44**	148.20
iii) In unpaid dividend accounts	**28.10**	26.74
	1,112.51	793.82
Out of the above, bank deposit and margin money which have maturity of more than 12 months	**-**	-
NOTE 17 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Loans and advances to related parties	**-**	-
b) Security deposit	**0.05**	0.05
c) Prepaid expenses	**213.14**	212.65
d) Balances with government authorities:		
i) CENVAT credit receivable	**150.20**	140.25
ii) VAT credit receivable	**21.46**	38.03
iii) VAT advance tax paid	**-**	25.00
e) Others	**454.23**	379.39
	839.07	795.38
[Short-term loans and advances due by Directors/Officers, due by Firms or Private limited companies in which any director is a partner or director]	**-**	-
NOTE - 18 : OTHER CURRENT ASSETS		
a) Unbilled revenue	**-**	23.01
b) Unamortised expenses (Refer note below)	**45.58**	30.44
c) Accruals :		
Interest accrued on deposits	**0.06**	2.35
Windmill generation - unadjusted	**49.00**	31.73
Rent Receivable	**-**	1.44

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
d) Others :		
i) Insurance claims receivable	**1.47**	3.10
ii) Interest subsidy on TUF loan	**188.18**	578.52
iii) Export/other incentive receivables	**104.45**	60.87
iv) Other miscellanous assets	**0.15**	0.15
	388.89	731.61

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
NOTE - 19 : REVENUE FROM OPERATIONS		
a) Sale of products	**54,878.85**	44235.60
b) Other operating revenues (Refer note below)	**1,019.95**	783.62
	55,898.80	45,019.22
Less: Excise duty	**25.39**	27.16
	55,873.41	44,992.06
Note :		
Other operating revenues		
Duty drawback and other export incentives	**509.93**	397.44
Processing charges receipts	**203.69**	326.55
Rental income	**60.00**	60.00
Insurance Claim Received towards loss of Stock	**235.79**	0.00
Wind Energy broken period unbilled & Banking Units	**10.54**	(0.37)
	1019.95	783.62
NOTE - 20 : OTHER INCOME		
a) Interest income (Refer note (i) below)	**34.91**	34.52
b) Dividend income (Refer note (ii) below)	**0.73**	1.15
c) Adjustments to carrying amount of investments (net) Refer note (iii) below)	**10.57**	-
d) Net gain on foreign currency transactions	**(0.06)**	(0.34)
e) Other non-operating income (Refer note (iv) below)	**203.38**	51.44
	249.54	86.77

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
NOTES :		
i) Interest income		
Interest from bank on deposit	**2.07**	6.54
Interest on other deposits	**26.91**	27.07
Interest on loans and advances	**-**	0.91
Interest on income tax refund	**5.93**	-
Interest from current investment	**-**	-
Interest from long term investment	**-**	-
	34.91	34.52
From long-term investments :	**-**	-
Others	**0.73**	1.15
	0.73	1.15
ii) Net gain on sale of investments	**-**	-
From current investments	**-**	-
From long-term investments	**-**	-
	-	-
iii) Adjustments to carrying amount of investments (net)		
From current investments	**-**	-
From long-term investments	**10.57**	0.00
	10.57	-
iv) Other non-operating income		
Rent receipts	**8.18**	13.23
Rental income from operating leases	**-**	-
Profit on sale of fixed assets	**144.09**	4.26
Excess provision for doubtful debts written back (net)	**-**	-
Excess provision for Bonus / Gratuity written back	**-**	-
Performance compensation	**-**	-
Bad debts recovery	**12.35**	7.81
Insurance Claim Received	**-**	-
Sundry balances written back	**8.07**	10.61
Prior period income	**11.36**	1.38
Other miscellaneous income	**19.32**	14.15
Net agriculture income	**-**	-
	203.38	51.44

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
NOTE - 21 : COST OF MATERIALS CONSUMED		
Consumption of Raw materials :		
Opening stock - Raw materials	**5,477.70**	4421.81
- Work-in-process	**364.51**	393.09
Add : Purchases	**36,613.48**	28726.65
	42,455.69	33,541.55
Less : Closing stock - Raw materials	**7,319.49**	5477.70
- Work-in-process	**478.20**	364.51
Cost of materials consumed	**34,658.01**	27,699.34
NOTE - 22 : PURCHASE OF STOCK-IN-TRADE		
Yarn	**83.74**	94.27
	83.74	94.27
NOTE - 23 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
a) Inventories at the end of the year :		
Finished goods	**2,312.24**	2525.44
Stock-in-progress	**145.37**	206.89
Stock-in-trade	**-**	-
Waste	**110.15**	85.34
	2,567.76	2,817.67
b) Inventories at the beginning of the year :		
Finished goods	**2525.43**	2454.16
Stock-in-progress	**206.90**	30.97
Stock-in-trade	**-**	-
Waste	**85.34**	66.26
	2,817.67	2,551.40
Net (increase)/decrease in stock (b)-(a)	**249.91**	(266.28)
NOTE - 24 : EMPLOYEE BENEFITS EXPENSE		
a) Salaries and wages (Refer note (i) below)	**3823.07**	2701.81
b) Contribution to provident and other funds (Refer note (ii) below)	**274.41**	174.82
c) Staff welfare expenses (Refer note (iii) below)	**267.60**	190.73
	4,365.08	3,067.36

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
Notes :		
i) Salaries and wages		
Remuneration to Directors	**252.82**	145.13
Salaries, wages and allowances	**3421.90**	2432.20
Bonus and ex-gratia	**148.35**	124.48
	3,823.07	2,701.81
ii) Contribution to provident and other funds		
Contribution to Provident Fund (PF) & Family Pension Fund (FPF)	**226.93**	137.36
EDLI & PF administration charges	**20.05**	12.14
Contribution to family pension fund	**-**	-
Contribution to gratuity	**27.43**	25.32
	274.41	174.82
iii) Staff welfare expenses		
Employees state insurance contribution	**23.75**	21.56
Labour welfare fund contribution	**-**	-
Staff recruitment and training expenses	**40.05**	10.43
Welfare expenses	**203.80**	158.74
	267.60	190.73
NOTE - 25 : FINANCE COSTS		
a) Interest expenses (Refer note (i) below)	**2461.41**	2131.43
b) Other borrowing costs (Refer note (ii) below)	**233.03**	175.57
c) Net (gain)/loss on foreign currency transactions (FCNRB loans)	**(3.83)**	41.96
	2,690.61	2,348.96
NOTES :		
i) Interest expenses on :		
Cash credit from banks	**1215.67**	619.05
Term loan from banks	**1200.90**	1508.03
Public deposits		--
Non-convertible debentures		--
Finance charges on finance lease	**2.93**	0.53
Interest on deferred/delayed payment of income tax	**-**	-
Other interest	**41.91**	3.83
	2,461.41	2,131.44

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
ii) Other borrowing costs :		
Commitment charges	**88.25**	57.96
Bank charges	**144.78**	117.61
	233.03	175.57
NOTE - 26 : DEPRECIATION AND AMORTISATION EXPENSES		
a) Depreciation and amortisation on tangible assets	**1,759.85**	1700.13
b) Depreciation and amortisation on intangible assets	**8.84**	12.90
	1,768.69	1,713.03
NOTE - 27 : OTHER EXPENSES		
a) Manufacturing expenses (Refer note (i) below)	**5,731.88**	5138.25
b) Administrative expenses (Refer note (ii) below)	**1,033.53**	949.09
c) Repairs and maintenance (Refer note (iii) below)	**1,314.20**	1238.17
d) Selling and distribution expenses (Refer note (iv) below)	**1,331.35**	1362.20
e) Miscellaneous expenses (Refer note (v) below)	**196.25**	233.23
	9,607.21	8,920.94
NOTES :		
i) Manufacturing expenses:		
Power and fuel	**4,694.19**	4473.86
Less: Captive consumption	**2,818.20**	1047.98
	1,875.99	3,425.88
Consumption of chemicals, stores and packing materials	**2,247.69**	1514.12
TANGEDCO Charges	**334.98**	319.26
Processing charges	**1,273.22**	607.16
	5,731.88	5,866.41

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
ii) Administrative expenses :		
Rent	**215.32**	207.82
Insurance	**150.23**	155.48
Rates and taxes	**86.95**	59.81
Directors' sitting fee	**1.85**	2.40
Donations	**62.94**	14.47
Payments to auditors	**14.98**	9.78
Legal and professional charges	**64.37**	74.94
Postage and telephone	**129.82**	119.35
Telephone	**9.30**	7.87
Travelling and conveyance	**259.12**	257.11
Conveyance	**2.59**	0.00
Printing and stationery	**35.65**	32.75
Bad trade receivables and advances written off	**0.23**	0.00
Sundry balances written off	**0.18**	9.29
Prior period expenses	**-**	-
	1,033.53	951.08
iii) Repairs and maintenance:		
Buildings	**122.95**	120.14
Machinery	**709.05**	727.60
Electrical	**75.04**	74.59
Vehicles	**37.31**	27.67
Windmills	**298.22**	216.21
Others	**71.63**	71.97
	1,314.20	1,238.17
iv) Selling and distribution expenses :		
Advertisement expenses	**12.66**	12.46
Freight and Transport on Sales	**256.26**	296.08
Commission and brokerage	**432.35**	312.20
Discount on sales	**620.90**	736.54
Business promotion expenses	**9.18**	4.91
	1,331.35	1,362.20

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
v) Miscellaneous expenses :		
Net loss on foreign currency transactions and translation	-	-
Loss on fixed assets sold / scrapped / written off	**0.72**	8.40
Loss on Sale of Certificates	-	-
Provision for impairment of fixed assets and intangibles (net)	-	-
Net loss on sale of investments (Refer note _ below)	-	-
Provision for doubtful debts / advances	**63.30**	19.93
Adjustments to carrying amount of investments (net)	-	-
(Refer note below)	-	12.99
Accrued income - Shortfall written off	-	-
Damaged stock written off	-	-
Security Service Charges	-	0.36
Electricity and lighting expenses	**1.55**	117.55
Subscription, membership and periodicals	**10.47**	12.58
Listing fee	**6.87**	4.56
Filing and registration fees	**1.68**	5.49
General expenses	**101.33**	47.36
Corporate Social Responsibility Expenses	**10.33**	2.00
Demerger related expenses	-	-
Expenses relating to Shiva Mills Ltd	-	-
	196.25	231.23

CONSOLIDATED NOTES FORMING PART OF THE BALANCE SHEET (Contd.,)

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
NOTE - 28 : EXCEPTIONAL ITEMS		
a) Income :		
Profit on sale of Investments	-	-
Security Deposit on Lease written back	-	-
b) Expenses:		
HP/Lease/Other receivables written off (Net of Provision)		
Impairment loss on assets leased written off	-	-
Interest on TUF loan scheme foregone	-	-
Expenses on TNEB Infrastructure	-	-
Loss on Sale of Investments	-	-
Net income/(expenses) (a) - (b)	-	-
NOTE - 29 : CURRENT TAX		
a) Current tax expense for current year :		
A) Regular tax	**748.48**	289.05
B) Book Profit tax	**587.26**	317.20
Less : MAT credit entitlement		
	748.48	317.20
Current tax expense for the year (Higher of A or B)	**748.48**	367.55
b) Current tax expense relating to prior years	**203.19**	-
	951.67	367.55
NOTE - 30 : DEFERRED TAX		
a) Provision for Deferred Tax Liability (Dr)	**283.48**	114.41
(–) Reversal of Deferred Tax Liability (Cr)		
b) Provision for Deferred Tax Asset (Cr)	**(41.85)**	(38.98)
(–) Reversal of Deferred Tax Asset (Dr)		
	241.63	75.43

CONSOLIDATED ADDITIONAL NOTES ATTACHED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE - 31 : OTHER NOTES TO FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at 31.3.2017	As at 31.3.2016
I ADDITIONAL NOTES TO BALANCE SHEET		
A Contingent liabilities		
a) Claims against the Company not acknowledged as debt	**-**	-
b) Guarantees	**-**	-
c) Other money for which the Company is contingently liable:		
i) Disputed demands from ESI Authorities pertaining to Corporate office	**11.28**	11.28
ii) Disputed TNVAT demand in respect of which interim stay granted by Hon'ble High Court of Madras	**-**	-
iii) Disputed claims of TANGEDCO as part of energy supply Bill	**143.62**	143.62
B Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	**232.96**	618.79
b) Uncalled liability on shares and other investments partly paid	**-**	-
c) Other Commitments:		
i) The amount of duty concession availed against the pending obligation for import of capital goods under concessional customs duty linked to fulfillment of export obligations	**298.61**	298.61
ii) Value of export obligations to be fulfilled	**27,116.10**	33,547.24
C Proposed dividends		
a) On Preference Shares:		
b) On Equity Shares:		
Total amount of proposed dividend	**345.67**	237.65
Number of shares	**1,26,04,521**	21,604,521
Amount of dividend per share	**1.60**	1.10
D Unutilised amount of proceeds of securities issued for specific purpose	**-**	-
E Diminution in value of assets other than fixed assets & non-current investments	**-**	-

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
II ADDITIONAL NOTES TO STATEMENT OF PROFIT AND LOSS		
1 Payments to auditors		
Independent audit :		
a) As auditors - Statutory audit	**5.61**	5.07
b) For Taxation matters	**5.03**	2.43
c) For other services	**4.34**	2.28
	14.98	9.78
2 Prior period items:		
a) Income	**11.36**	1.38
b) Expenses	**-**	-
Net of prior period itmes (a) - (b)	**11.36**	1.38
3 Disclosure for raw materials, purchased goods and finished goods under broad heads		
Sale of products		
a) Manufactured goods:		
Yarn	**30,611.33**	30,524.28
Fabric	**11,090.14**	6,569.01
Garments	**1,959.10**	461.79
Coated fabrics (Canvas)	**2,367.05**	917.82
Laminated fabrics	**5,996.46**	3,643.84
Waste	**2,854.77**	2,020.96
Wind energy	**-**	-
Total	**54,878.85**	44,137.69
b) Traded goods:		
Yarn	**-**	97.91
Total	**-**	97.91
Total sale of products (a)+(b)	**54,878.85**	44,235.60
Raw materials consumption		
a) Cotton	**30,583.31**	25,898.31
b) Others	**4,074.70**	1,801.03
Total	**34,658.01**	27,699.34

(₹ in lakhs)

Particulars			Year ended 31.3.2017	Year ended 31.3.2016
Purchase of traded goods				
a) Yarn			**83.74**	94.27
b) Fabrics			**-**	46.63
Total			**83.74**	140.90
4. Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;				
Raw materials				
Indigenous		(₹)	**29,861.90**	23,866.09
		(%)	**86.16%**	86.16%
Imported		(₹)	**4,796.11**	3,833.25
		(%)	**13.84%**	13.84%
Total			**34,658.01**	27,699.34
Stores and spares				
Indigenous		(₹)	**2,701.98**	2,820.21
		(%)	**95.56%**	96.54%
Imported		(₹)	**125.47**	100.97
		(%)	**4.44%**	3.46%
Total			**2,827.45**	2,921.18
5. Value of imports calculated on CIF basis by the company during the financial year in respect of				
i) Raw materials			**4,796.11**	3,746.65
ii) Components and spare parts			**125.47**	100.97
iii) Capital goods			**443.85**	138.05
6. Expenditure in foreign currency incurred during the financial year on account of :				
Traveling, training and others			**59.83**	71.36

7. The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;

i)	Total number of Non-resident shareholders	Not applicable, Hence No Dividend is paid in Foreign Currency
ii)	Total number of shares held	
iii)	Total amount of dividend due/paid	
iv)	Year to which the dividend related	

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
8. Earnings in foreign exchange classified under the following heads, namely :-		
i) Export of goods calculated on FOB basis	**10,930.22**	92.02.56
ii) Royalty, know-how, professional and consultation fees	**-**	-
iii) Interest and dividend	**-**	-
iv) Other income, indicating the nature thereof	**-**	-
9. The Company, has paid to trade related research institutions by way of recurring / non recurring contribution	**1.77**	1.40
10. Rates and taxes include wealth tax	**-**	-

III DISCLOSURES PURSUANT TO ACCOUNTING STANDARDS

1) AS 2 - Valuation of inventories

Closing stock of finished goods in textile division is valued excluding excise duty as the company opted for clearance at "Nil" duty and hence no provision for excise duty is made as expense. The method of valuation has no impact on the net profits.

i.	Raw materials	At weighted average cost method
ii.	Process	At weighted average cost method (incl. appropriate production overhead)
iii.	Finished goods	At weighted average cost method (incl. appropriate production overhead) or Market Value whichever is less
iv.	By Products	At since realised / realisable value
v.	Stock of packing materials and stores and spares	At weighted average method

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
2) AS 15 - Employee benefits		
a) Defined Contribution Plan		
i) Contribution to provident fund & EPS	**226.94**	66.57
ii) Contribution to family pension fund	**-**	70.79
iii) Contribution to employees state insurance scheme	**23.75**	21.56
b) Defined benefit plan : **Gratuity**		
A. Changes in Present Value of Obligation		
PV of Obligation as at the beginning of the year	**233.59**	240.54
Current Service Cost	**20.87**	18.56
Interest cost	**23.66**	23.02
Acturial (gain)/Loss on Obligation	**35.12**	(17.67)
PV of Obligation as at the end the year	**313.24**	264.45
B. Change in Assets during the year ended 31st March		
FV of Plan Assets as at the beginning of the year	**269.59**	244.86
Expected return on Plan Assets	**23.66**	23.02
Settlement Claims-Credit	**(12.11)**	(13.19)
Contributions by the employer	**53.51**	17.32
Charges deducted	**(2.80)**	(2.41)
FV of Plan Assets as at the end of the year	**331.84**	269.59
C. Net Asset/(Liability) Recognized in the Balance Sheet		
PV of Obligation as at the end the year	**313.24**	264.45
FV of Plan Assets Obligation as at the end the year	**331.84**	269.59
Funded Status [Surplus/(Deficit)]	**18.60**	5.14
D. Expenses recognized during the period ended 31st March		
Current Service Cost	**20.87**	18.56
Interest Cost	**23.66**	23.02
Expected return on Plan Assets	**(30.37)**	(24.75)
Actuarial (gains)/Losses	**12.80**	11.19
Net Amount recognised in Statement of profit and loss	**26.95**	28.03
E. Categories of Plan assets as a percdentage of Total Plan assets		
Equity Instruments	**-**	-
Debt Instruments	**-**	-
Property	**-**	-
Insurer Managed Asset	**100.00%**	100.00%

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
F. Assumptions used in accounting for the gratuity Plan		
Discount Rate (Per Annum)		
- Unit-I	**8.00%**	8.00%
- Unit-II	**8.00%**	8.00%
Rate of Increase in compensation levels (Per Annum)		
- Unit-I	**8.00%**	6.50%
- Unit-II	**6.50%**	6.50%
Rate of return on plan assets (Per Annum)		
- Unit-I	**9.25%**	9.25%
- Unit-II	**9.00%**	9.00%
Expected average remaininng working lives of employees (Years)		
- Unit-I	**33.40-**	33.40
- Unit-II	**35.45**	35.45

In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed. The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employees Benefits" are not readily available in the valuation report furnished by LIC of India and hence, are not furnished.

3) AS 17 - Segment reporting

The company's business relates to single segment only i.e, Textiles and hence no segment reporting is given.

4) AS 18 - Related party disclosures

A. Related parties

i) Holding and Subsidiary Companies :
Subsidiary Company : Shiva Mills Limited

ii) Associates (Investing Party) :
Annamallai Retreading Company Private Ltd

iii) Key management personnel :
Sri S K Sundararaman - Managing Director

iv) Relatives of key management personnel :
Dr S V Kandasami - Father of Managing Director

v) Companies in which Key Managerial Personnel or their relatives having Significant Influence:
Anamallais Agencies Private Ltd
Anamallais Automobiles Private Ltd
Bannari Amman Spinning Mills Ltd
Sakthi Murugan Transports Ltd
Sundar Ram Enterprise Private Ltd
Young Brand Apparel Private Limited

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
B. Nature and amount of related party transactions and balances outstanding :		
i) Investments :		
Subsidiary	**-**	-
ii) Loans & Advances given :		
Subsidiary	**-**	-
iii) Sale of goods & Services		
Companies in which KMP or their relatives having Significant Influence	**680.58**	1,016.10
iv) Purchases of goods & services		
Companies in which KMP or their relatives having Significant Influence	**1,064.27**	358.76
v) Sales of Fixed Assets		
Companies in which KMP or their relatives having Significant Influence	**-**	-
vi) Services availed		
a) Associates	**2.50**	0.27
b) Companies in which KMP or their relatives having Significant Influence	**287.04**	289.27
vii) Services Rendered		
Companies in which KMP or their relatives having Significant Influence	**0.24**	31.55
viii) Remuneration		
Key management personnel	**130.73**	153.53
Relatives of key management personnel	**-**	30.00
ix) Amount outstanding at the year end:		
Receivables		
a) Subsidiary	**0.72**	15.93
b) Companies in which KMP or their relatives having Significant Influence	**15.29**	5.60
Payables		
a) Companies in which KMP or their relatives having Significant Influence	**286.45**	310.93
b) Relatives of key management personnel	**115.00**	115.00
x) Amount written off during the year	Nil	Nil

(₹ in lakhs)

Particulars	Year ended 31.3.2017	Year ended 31.3.2016
5) AS 19 - Accounting for leases		
Accounting for lease rentals paid under contract for operating lease and rental on time schedule, charged to revenue as and when incurred. The company has not entered into any contract for finance lease.		
6) AS 20 - Earnings per share		
Net profit/(loss) after tax	**1,506.41**	1,084.60
Weighted average number of shares	**2,16,04,521**	21,604,521
Basic and Diluted earnings per share (₹)	**6.96**	5.02
7) AS 22 - Accounting for taxes on income		
Computed for timing difference in tax treatment of allowances and expenses :		
A. Deferred tax liability:		
Related to fixed assets	**4,725.97**	4,442.49
Related to others	**-**	-
	4,725.97	4,442.49
B. Deferred tax asset :		
Related to provisions	**150.53**	51.51
Related to disallowance	**-**	57.17
Related to unabsorbed business loss/depreciation allowance	**-**	-
	150.53	108.68
Net deferred tax liability as at close of the year	**4,575.44**	4,333.81
Net deferred tax liability as at beginning of the year	**4,333.81**	4,258.38
Transferred to Demerged Undertaking	**-**	-
Net increase/(decrease) in deferred tax liability	**241.63**	75.43

8) AS 28 - Impairment of assets

The assets of the company have not suffered any impairment as assessed by the Management.

9) AS 29 - Provision, contingent liabilities and contingent assets

a) Provisions : Nil

b) Contingent liabilities

Contingent liabilities are not provided for, but disclosed in the notes on accounts.

c) Contingent assets

i) In the opinion of the management there are no contingent assets.

ii) Contingent assets as a policy are not recognized.

VI OTHER DISCLOSURES

1 DEMERGER OF SPINNING UNIT-1 WITH CONNECTED WIND MILLS :

The National Company Law Tribunal (NCLT) vide their order dated 23rd August 2017 in Company Petition No.359 & 360 of 2016, renumbered as TCP/22 & 23/CAA/2017, approved the scheme for demerger of the business of Spinning Unit - 1 along with connected wind mills, in favour of Shiva Mills Limited (formerly known as STYL Textile Ventures Limited), a wholly owned subsidiary of Shiva Texyarn Limited (Demerged Company). The demerger comes in to effect from 1st April 2015, the appointed day fixed under the Scheme. In the accounts of the Company for the financial year 2016-17 accounting effect has been given for the demerger :

i) For exclusion of assets and liabilities, vested in the resulting company as on the appointed day and for further transactions carried out between the Demerged Company and Resulting Company till 31st March 2017, the net amount of which is shown as "Demerger Adjustment Account" to be adjusted against the paid up share capital and General Reserve of the Company when shares are allotted by the Resulting Company to the share holders of Demerged Company.

ii) For exclusion of the Revenue and Net profits earned by the Demerged business undertakings for the Financial Year 2015-16 and 2016-17 net of current / deferred taxes.

iii) The Resulting Company continues to be the Wholly Owned Subsidiary of Shiva Texyarn Limited (Demerged Company), until allotment of shares to the Share Holders of Demerged Company as per the approved scheme of Demerger and cancellation of shares held by the Demerged Company in the Resulting Company. Hence consolidation has been done to consolidate the Revenue, Assets and Liabilities as intra group balances.

2 In the opinion of Board of Directors :

a) Assets Other than Fixed Assets and Non Current Assets would realize the value stated in the normal course of Business.

b) There are no overdue payments to Micro, Small and Medium Enterprises attracting interest in terms of Micro, Small & Medium Enterprises (Development) Act, 2006.

c) There are no amounts required to be transferred to Central Government under the Investor Education and Protection Fund.

3 Previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

Signatories for notes and additional notes which form part of Balance Sheet and Statement of profit and Loss

Subject to our report of even date attached
For VKS AIYER & Co
Chartered Accountants
R UMAMAHESWARI
Partner
Membership No. 221962

Coimbatore
1st November 2017

For and on behalf of the Board

S V ALAGAPPAN
Chairman
DIN 00002450

S V ARUMUGAM
Director
DIN 00002458

S K SUNDARARAMAN
Managing Director
DIN 00002691

C KRISHNAKUMAR
Chief Financial Officer

R SRINIVASAN
Company Secretary
ACS No. 21254

Financial Performance - Year Wise (₹ in lakhs)

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

* Turnover = Net Sales + Closing Stock – Opening Stock

Notes

Notes

PLANT LOCATION

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

Bag Unit	Knitting Unit	Garment Division
S.F No. 371/5, Karadivavi Road Paruvai Post, Karanampet, Palladam 641 658	Kodangipalayam Village Karadivavi Road, Paruvai Post Coimbatore District Tamilnadu	S.F No. 371/5, Karadivavi Road Paruvai Post, Karanampet, Palladam 641 658

Windmills		
Munduvelampatti Village Erode District Tamilnadu	Gudimangalam Athukinathupatti & Uthukuli Villages Coimbatore District, Tamilnadu	Vagatholubu Kongalnagaram Virugalpatti, Tirupur Dt. TN



SHIVA TEXYARN LIMITED

252, Mettupalayam Road, Coimbatore - 641 043. Tamilnadu
Phone : 91-422-2435555
E-mail : shares@shivatex.co.in Website : www.shivatex.co.in
CIN : L65921TZ1980PLC000945

Kalaikathir © 0422 2223454