



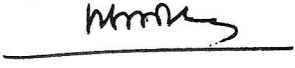



SHIVA TEXYARN LIMITED

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043 Tamilnadu INDIA
Telephone : 0422-2435555 Fax : 0422-4383325 E-mail : shares@shivatex.co.in

BOMBAY STOCK EXCHANGE LIMITED
FLOOR 25
PHIROZE JEEJEEBHOY TOWERS
DALAL STREET,
MUMBAI - 400 001

FORM A

1.	Name of the Company	Shiva Texyarn Limited
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	• CEO/Managing Director	 S V ALAGAPPAN Chairman & Managing Director
	• CFO	 S SESHADRI General Manager - Finance
	• Auditor of the Company	 V S SRINIVASAN Partner, V K S Aiyer & Co
	• Audit Committee Chairman	 K N V RAMANI Director

32nd

**Annual Report
2013**



SHIVA TEXTYARN LIMITED

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IMPORTANT COMMUNICATION

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued a circular clarifying that the companies would be in compliance of Section 219(1) of Companies Act 1956 in case copy of notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc is sent by electronic mail to its members. Hence, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the depository through their Depository Participants to enable the company to send the notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc. through e-mail. Members who hold shares in physical form are requested to register their e-mail address with the Registrar and Share Transfer Agent viz. SKDC CONSULTANTS LIMITED, COIMBATORE.

BOARD OF DIRECTORS

Sri S V Alagappan	Chairman & Managing Director
Sri S V Arumugam	
Sri S K Sundararaman	Executive Director
Sri K N V Ramani	
Sri C S K Prabhu	
Sri S Palaniswami	
Dr K R Thillainathan	
Sri S Marusamy	

AUDITORS

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

INTERNAL AUDITORS

M/s Srivatsan & Gita
Chartered Accountants
Coimbatore - 641 018

COST AUDITOR

Sri M Nagarajan
Cost Accountant
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

COMPANY SECRETARY

Mrs M Shyamala

BANKERS

Canara Bank
Indian Overseas Bank
ICICI Bank Ltd
UCO Bank
State Bank of Hyderabad
Bank of Maharashtra
Bank of Baroda
Allahabad Bank

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 32nd Annual General Meeting of the Members of the Company will be held at Nani Kalaarangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037 on the Monday the 23rd day of September 2013 at 10.15 AM to transact the business set out in the agenda given below:

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

AGENDA

ORDINARY BUSINESSES

1. To receive and adopt the Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors' and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in the place of Sri C S K Prabhu, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri S Palaniswami, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 17.9.2013 to 23.9.2013 (both days inclusive).
4. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 23.9.2013. 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 16.9.2013.
5. The Company has transferred unclaimed dividends upto the financial year ended 31.3.2005 to General Revenue Account/Investor Education and Protection Fund of the Central Government. The dividend declared for the financial year ended 31.3.2006 and for subsequent years 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.
6. Members are requested to bring their copy of the Annual Report along with them to the meeting.

Coimbatore
18th May, 2013

By Order of the Board
S V ALAGAPPAN
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE

RE-APPOINTMENT OF DIRECTORS

A brief resume in respect of the proposed reappointment of Directors is given below in terms of clause 49 of the Listing Agreement.

I.	1	Name	:	Sri C S K Prabhu
	2	Age	:	58 Years
	3	Qualification	:	B.Com., FCA
	4	Date of Appointment	:	26.5.2008
	5	Experience	:	He has more than 33 years of experience as Practicing Chartered Accountant
	6	Other Directorships	:	Bannari Amman Spinning Mills Limited Super Spinning Mills Limited Kakatiya Textile Limited Scientific Fertiliser Company Private Limited
	7	Member of Committee	:	Audit Committee - Member
	8	Member of Committee in other Public Limited Companies	:	Bannari Amman Spinning Mills Limited Audit Committee - Chairman Investor's Grievance Committee - Chairman Remuneration Committee - Member Super Spinning Mills Limited: Audit Committee - Chairman Remuneration Committee - Chairman Investor's Grievance Committee - Member Kakatiya Textiles Limited: Audit Committee - Member Remuneration Committee - Member Investor's Grievance Committee - Member
	9	Number of Shares held in the Company :		Nil
II.	1	Name	:	Sri S Palaniswami
	2	Age	:	69 years
	3	Qualification	:	B.E Electrical Engineering



4	Date of Appointment	:	28.12.2005
5	Experience	:	He has more than 33 years of experience in the field of Vertical Transportation Elevators, Escalators and allied products.
6	Other Directorships	:	Bannari Amman Spinning Mills Limited
7	Member of Committee	:	Audit Committee - Member Remuneration Committee - Member
8	Member of Committees in other Public Limited Companies	:	Bannari Amman Spinning Mills Limited: Audit Committee - Member
9	Number of Shares held in the Company :		Nil

Coimbatore
18th May, 2013

By Order of the Board
S V ALAGAPPAN
CHAIRMAN & MANAGING DIRECTOR

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Second Annual Report together with Audited Accounts of the Company for the year ended 31 st March, 2013.

FINANCIAL RESULTS

	Rs. in lakhs	
	Financial Year	
	(Rs. in lakhs)	
	2012-2013	2011-2012
Profit before Interest and Depreciation	7749.77	1805.89
Less: Interest	2677.35	2798.74
Profit before Depreciation	5072.42	(992.85)
Less: Depreciation	1916.97	1870.33
Profit before Tax	3155.45	(2863.18)
Less : Provision for Tax		
- Current tax	17.27	-
- Deferred tax	908.97	(920.83)
Profit after Tax	2229.21	(1942.35)
Add : Surplus/(Deficit) brought forward from last year	(1614.61)	327.74
Amount available for appropriation	614.60	(1614.61)
Appropriations :		
Provision for Equity Dividend	259.25	-
Provision for Tax on Dividend	44.06	-
Transfer to General Reserve	150.00	-
Surplus carried over to Balance Sheet	161.29	(1614.61)
Total	614.60	(1614.61)

DIVIDEND

Your Directors are glad to recommend payment of dividend at the rate of 12% (Last year Rs.Nil). The Dividend on Equity Shares together with Distribution Tax on Corporate Dividend will absorb Rs.303.31 lakhs (Last year Rs.Nil). The Dividend will be free from Income Tax in the hands of Shareholders.



REVIEW OF OPERATIONS

During the year under review, the textile mills produced in aggregate 17068.66 tonnes (13280.94 tonnes) of yarn and sold 13923.87 tonnes (10194.43 tonnes) of yarn. The sales include 3830.83 tonnes (4317.22 tonnes) of yarn fetching Rs.7762.94 lakhs (Rs.8530.92 lakhs) by export, including merchant export. During the year, the Company also exported waste cotton to an extent of 1118.37 tonnes (1038.70 tonnes) fetching Rs.857.61 lakhs (Rs.795.55 lakhs).

The knitting division with 41 knitting machines produced 3433.19 tonnes of fabric (1355.56 tonnes) and sold 3456.94 tonnes (967.99 tonnes) which included export of 324.74 tonnes (387.91 tonnes). The sales of knitted fabrics amounted to Rs.7132.63 lakhs (Rs.2775.53 lakhs) which included export sales of Rs.698.19 lakhs (Rs.824.98 lakhs). With lower production and sales, the garment division yielded a turnover of Rs.957.47 lakhs (Rs.1665.44 lakhs)

During the year, the Company also ventured into production and sales of technical textile products, which yielded an aggregate revenue of Rs.1557.68 (Rs.Nil) by sales from coated fabrics and laminated fabrics. The Company also established a processing unit at SIPCOT, Perundurai, to create captive source of dyeing and printing activities.

The overall sales of textile products amounted to Rs.41139.32 lakhs (Rs.32506.34 lakhs).

Your Directors report that the performance of the textile spinning units improved considerably as compared to the previous financial year. The prices of cotton (raw material) remained stable during most part of the year as a result of which there was stability in Yarn prices also. The strategy of penetrating alternative markets viz. Corporate buyers, new overseas buyers, woven segment etc in addition to our core market for hosiery yarn helped the Company in improving the working results.

The Wind Mills, with an installed capacity of 28.795 produced 476.80 lakh units of Wind Electricity as against 419.03 lakh units generated in the last year. The entire power generated by Wind Mills is utilized for captive consumption.

The restriction and control measures of Tamil Nadu Electricity Generation and Distribution Company (TANGEDCO) still continues. However the Company has been able to achieve maximum utilization and productivity by making alternate arrangements of procuring private power although at higher cost resulting in increase in power cost during the year.

Your Directors are glad to report that a Processing unit has been commissioned at SIPCOT Perundurai for carrying out Dyeing/Printing operations which is expected to contribute to the overall performance of the Company in the coming years.

PROSPECTS FOR THE CURRENT YEAR 2013-14

The prospect of spinning units is expected to be satisfactory with moderation in cotton prices and stable demand for yarn in both domestic and export markets. The performance of Windmills is dependent on availability of Wind and infrastructure for evacuation of wind power by TANGEDCO.

PUBLIC DEPOSITS

As at the close of the year, there were 42 public deposits involving an amount of Rs.9.84 lakhs remained unclaimed pending receipt of instructions from the deposit holders. Subsequently no claims were received from deposit holders for repayment. Regular follow up is being made to obtain instructions from the deposit holders for repayment. As a policy no fresh Public deposits are accepted and no renewals are made.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 the following Directors retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment :

- (i) Sri C S K Prabhu
- (ii) Sri S Palanisamy

The Directors recommend their re-appointment.

PARTICULARS OF EMPLOYEES

None of the employees of the Company is in receipt of remuneration exceeding Rs.5,00,000/- per month or Rs.60,00,000/- per annum. Therefore, the particulars required as per Section 217 (2A) of the Companies Act, 1956 are not furnished.

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

The particulars required to be included in terms of Section 217(1) (e) of the Companies Act, 1956 with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo is furnished in Annexure-I and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217 (2AA) of the Companies Act, 1956 your Directors confirm that :

- (i) Your Directors have followed the applicable Accounting Standards in the preparation of Annual Accounts;
- (ii) 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 2012-13 and of the Profit of the Company for that period;
- (iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) Your Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

A separate section on Corporate Governance, Management Discussion and Analysis and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance has been furnished, as stipulated under Clause 49 of the Listing Agreement which form part of this Annual Report.

AUDITORS

M/s V K S Aiyer & Co, the present Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.



INDUSTRIAL RELATIONS

The relationship with employees continued to remain cordial throughout the year under review.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to the Bankers who have granted financial assistance to the Company by way of Term Loans, Working Capital Loan and Cash Credits and for their continued support. Your Directors also thank the customers of the Company for their support and confidence reposed in the Company and to the employees at all levels for their co-operation and dedication.

Coimbatore
18th May, 2013

By Order of the Board
S V ALAGAPPAN
CHAIRMAN & MANAGING DIRECTOR

Annexure to Directors' Report

Annexure - I

Information Pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A) CONSERVATION OF ENERGY

(a) Energy Conservation Measures taken -

During the year energy saving measures were taken in various departments to optimise energy consumption.

(b) Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy:-

Efforts are being taken on a continuous basis to reduce energy consumption in various departments of the Factory.

(c) Impact of the measures (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods:-

The benefits will accrue over a period of time.

B) Form A-Particulars with respect of energy conservation

I. POWER AND FUEL CONSUMPTIONS

1 Electricity	Current Year	Previous Year
(a) Purchased :		
Units(in Lakhs)	173.69	148.10
Amount spent (Rs. in Lakhs)	1942.07	982.90
Rate per unit (Rs)	11.18	6.64
b) Own Generation:-		
i) Through Diesel Generator:-		
Total Units produced (in Lakhs)	18.63	27.16
Units produced per litre of diesel (Units)	3.41	4.42
Amount spent (Rs. in Lakhs)	237.59	269.38
Cost per unit (Rs)	12.75	9.92
ii) Through steam turbine/generator	Nil	Nil
iii) Through Wind Turbine Generator :-		
Total Units produced (in Lakhs)	416.85	369.00
Cost of generation (Rs. in Lakhs)	1218.51	1502.70
Cost per unit (Rs)	2.92	4.07
iv) Through Furnace Oil Generator :-		
Total Units produced (in Lakhs)	Nil	Nil
Cost of generation (Rs. in Lakhs)	Nil	Nil
Cost per unit (Rs)	Nil	Nil



	Current Year	Previous Year
2 Coal	Nil	Nil
3 Furnace oil	Nil	Nil
4 Others /Internal Generation	Nil	Nil

II. CONSUMPTION PER UNIT OF PRODUCTION

Product: COTTON YARN

Production in MT	17068.66	13280.94
Production in MT converted into 40s count	10327.18	9066.24
Electricity consumed in units (in Lakhs)	609.16	544.25
Electricity consumed per Kg of yarn (Units)	5.90	6.00

C) TECHNOLOGY ABSORPTION

Form B-Particulars with respect to absorption of Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company	Nil	Nil
2. Benefits derived as a result of above R & D	Nil	Nil
3. Future Plan of Action	Nil	Nil
4. Expenditure on R & D		
Contribution paid to textile research association for R&D	0.28	0.27
5. Technology absorption, adaptation and innovation		
(i) Efforts in brief, made towards technology absorption, adaptation and innovation	Nil	Nil
(ii) Benefits derived as a result of above effects	Nil	Nil
(iii) Imported Technology	Nil	Nil

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
i) Total Foreign Exchange used (CIF Value)	4141.24	162.70
ii) Total Foreign Exchange earned (FOB Value)	9506.00	10744.60

Coimbatore
18th May, 2013

By Order of the Board
S V ALAGAPPAN
CHAIRMAN & MANAGING DIRECTOR

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 business practices, procedures and reporting systems.

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 9 Directors viz., 2 Executive Directors and 7 Non Executive Directors. 6 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 28.5.2012, 13.8.2012, 9.11.2012 and 14.2.2013

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 24.9.2012:

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	Executive	3	-	-	4	Yes
2. Sri S V Arumugam	Non-Executive	7	1	2	4	Yes
3. Sri S K Sundararaman	Executive	2	-	-	4	Yes
4. Sri V Venkata Reddy	Non-Executive	2	1	1	-	No
5. Sri K N V Ramani	Non-Executive	6	1	2	4	Yes
6. Sri C S K Prabhu	Non-Executive	3	3	3	3	Yes
7. Dr K R Thillainathan	Non-Executive	1	-	-	2	Yes
8. Sri S Palaniswami	Non-Executive	1	-	1	3	Yes
9. Sri S Marusamy	Non-Executive	-	-	-	4	Yes

Directors under Sl.No 1 and 2 are related to each other as brothers.

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

** Committees formed under Clause 49 are only considered.

**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 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	4
Sri C S K Prabhu	- Independent Director	3
Sri S Palaniswami	- Independent Director	3

The terms of reference of the Audit Committee are as set out in Clause 49 of the Listing Agreement, which inter-alia includes the following:

- Review of financial reporting process and to ensure that the financial statements are correct and sufficient.
- Review with Management the quarterly, half yearly and annual financial statements before submission to the Board for approval.
- Review with Statutory and Internal Auditors the adequacy of internal control system, significant findings and follow-up thereon.
- Reviewing the Company's financial and risk management policies.

REMUNERATION COMMITTEE

The Remuneration Committee consists of Three Directors all of whom are independent.

1. Sri V Venkata Reddy	- Chairman & Independent Director
2. Dr K R Thillainathan	- Independent Director
3. Sri S Palaniswami	- Independent Director

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

- Recommending remuneration payable to Managing Director, Executive Director and other Directors as and when necessity arises.
- Reviewing sitting fees payable to Directors for attending Board Meetings, Committee Meetings etc.

The Committee met once in the financial year on 6.8.2012 and all the members attended the meeting.

Details of remuneration paid to Managing Director and Executive Director are as follows :

Name	Managing Director / Executive Director	Remuneration Received (₹ in Lakhs)
Sri S V Alagappan	Managing Director	24.00
Sri S K Sundararaman	Executive Director	15.23

All the non-executive Directors are paid a sitting fee of ₹ 5000/- for each Board Meeting attended by them. The members of Audit Committee are also paid a sitting fee of ₹ 5000/- for each committee meeting attended by them.

SHAREHOLDING OF NON EXECUTIVE DIRECTORS AS ON 31.3.2013

Name of the Director	No. of Shares held
Sri S V Arumugam	Nil
Sri V Venkata Reddy	Nil
Sri K N V Ramani	Nil
Sri C S K Prabhu	Nil
Dr K R Thillainathan	300
Sri S Palaniswami	Nil
Sri S Marusamy	3283

INVESTOR'S GRIEVANCE COMMITTEE

The Investor's Grievance 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 Investor's Grievance Committee consists of:

Name of the Member	Category	No. of Meetings Attended
Sri V Venkata Reddy	- Chairman	4
Sri S V Arumugam	- Member	4

Mrs M Shyamala, Company Secretary is the Compliance Officer.

The Company received 4 complaints from the shareholders during the financial year 2012-2013. All the complaints have been resolved to the satisfaction of the shareholders. No share transfer was pending as on 31.3.2013.



In terms of Clause 5A II of the Listing Agreement, entered into with Stock Exchanges, the Company has opened Demat Suspense Account in the name of “Shiva Texyarn Limited - Unclaimed shares Demat Suspense Account” and the shares remaining unclaimed will be transferred to the said account, after due reminders to the shareholders.

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

CEO & CFO CERTIFICATION

The Managing Director and General Manager-Finance (Head of finance function) have furnished a certificate relating to financial statement and internal controls and systems to the Board of Directors as prescribed under Clause 49 of the listing agreement 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

Location and time where last three Annual General Meetings were held:

AGM	Date	Venue	Time
29 th	20.9.2010	Nani Kalaiaragam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 37	9.15 A.M
30 th	29.9.2011	Nani Kalaiaragam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 37	9.15 A.M
31 st	24.9.2012	Nani Kalaiaragam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 37	10.15 A.M

DISCLOSURES

- None of the transactions with related parties during the year 2012-2013 were in 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.

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.
- ii) The Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day and Date : Monday, 23 rd September, 2013	Financial Calendar
Time : 10.15 AM	Results Announced : 18.5.2013
Venue : Nani Kalaiaragam Mani Higher Secondary School Pappanaickenpalaym Coimbatore - 641 037	Posting of Annual Report : On or before 28.8.2013
	Last date of receipt of Proxy forms : 21.9.2013
	Dividend payment date : on or before 1.10.2013
	Announcement of quarterly Results : During First/Second week of August and November 2013; February and May 2014 or as stipulated by SEBI from time to time

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

17.9.2013 to 23.9.2013 (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 2012 to March 2013 were :

MONTH	SHARE PRICE AT NSE		NIFTY - INDEX	
	High (Rs. Ps.)	Low (Rs. Ps.)	High	Low
April 2012	19.90	17.35	5378.75	5154.30
May	18.45	15.65	5279.60	4788.95
June	20.60	16.25	5286.25	4770.35
July	22.40	18.20	5348.55	5032.40
August	25.50	19.65	5448.60	5164.65
September	28.50	21.75	5735.15	5215.70
October	32.70	26.60	5815.35	4888.20
November	35.50	27.50	5885.25	5548.35
December	31.90	27.30	5965.15	5823.15
January 2013	31.80	28.00	6111.80	5935.20
February	31.55	27.05	6052.95	5671.90
March	29.90	23.50	5971.20	5604.85



Based on the closing quotation of ₹ 24.05 as at 31.3.2013 at National Stock Exchange of India Limited, Mumbai, the market capitalization of the company was ₹ 51.96 Crores.

SHARE DETAILS

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

Bombay Stock Exchange Limited, Mumbai

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

National Stock Exchange of India Limited

"Exchange Plaza" Bandra-Kurla Complex
Bandra (E) Mumbai 400 051

Stock Code : 511108

Stock Code : SHIVTEX

The Company has paid Annual listing fees for the year 2013 - 2014.

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 31-3-2013, 94.58% 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

SKDC 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 15 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 31.3.2013

Category	No of Shares Held	Percentage of Shareholding
Promoter's Holding	16189794	74.94
Banks/FIs/Mutual Funds	1200	0.01
Private Corporate Bodies	479874	2.22
Indian Public	4906603	22.70
NRI/OCBs	27050	0.13
TOTAL	21604521	100.00

PLANT LOCATION

Spinning Unit - I	Spinning Unit - II	Knitting Unit & Garment Unit
Velvarkottai Village Dindigul District Tamilnadu	Kodangipalayam Village Karadivavi Road, Paruvai Post Coimbatore District, Tamilnadu	Kodangipalayam Village Karadivavi Road, Paruvai Post Coimbatore District, Tamilnadu

Processing Unit
SIPCOT Industrial Growth Centre Perundurai, Erode District

Windmills		
Mundavelampatti Village Erode District Tamilnadu	Gudimangalam Athukinathupatti & Uthukuli Villages Coimbatore District, Tamilnadu	Sanganeri Tirunelveli District Tamilnadu

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

Coimbatore
18th May, 2013

By Order of the Board
S V ALAGAPPAN
CHAIRMAN & MANAGING DIRECTOR



MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S BUSINESS

The Company's principal line of business is manufacturing and marketing of cotton yarn and other textile products viz. knitted fabrics and knitted garments. The Company has two spinning units viz. Unit I near Dindigul with an installed capacity of 39072 spindles and Unit II near Coimbatore with an installed capacity of 50400 spindles aggregating to 89472 spindles, Knitting unit near Coimbatore with capacity to produce about 12 MT of knitted fabric, Garment unit near Coimbatore to produce knitted garments; A Processing unit at SIPCOT, Perundurai for dyeing/printing activities and 80 Windmills with an installed capacity of 28.795 MW. The Company has also ventured into production of coated fabrics and other technical textile products.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Textiles and Clothing Industry is one of the major sectors of Indian economy and accounts for 4% of Country's GDP, contributes 14% to total Industrial Production and nearly 17% of the total export earnings are contributed by Textile sector. The Industry had invested Rs.2 lakh crore to upgrade and modernize under Technology Upgradation Fund Scheme (TUFS).

The fortunes of the Textile industry improved during FY 2012-13 from the depressing performance of FY 2011-12 which was caused by variety of external factors. The improvement in performance is due to moderation in cotton prices and stable demand for Yarn/Fabrics backed by consistency in prices. The Union Budget for 2013-14 has given some fillip to Textile Industry through the measures viz. Zero Excise duty route for Ready made garment industry, extension of TUFS in the 12th plan with an investment target of Rs. 1,51,000 crore with focus on powerloom sector, allocation for Textile parks under the Scheme for Integrated Textile Parks (SITPs), proposal for Integrated processing development scheme.

OPPORTUNITIES

The Industry fulfills one of the basic necessities of life. Foreign Direct Investment (FDI) in retail is an opportunity that would unleash demand in the long run. Moreover the Government is negotiating with European Union on Free Trade Agreement (FTA) which if it comes into effect will give a big boost to Textile & Clothing industry. Technical Textiles is another segment which will drive the demand in future.

OUTLOOK

The outlook for the Textile industry remains positive with both raw material and finished goods prices remaining stable and demand being moderate. However persistent increase in other operating costs coupled with stress on liquidity is an area of concern which may have a bearing on the performance of the Industry.

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. The industry also depends upon availability of power at a stable cost for which the State controlled power transmitting

company to ensure adequate infrastructure facilities. Availability of adequate working capital at competitive interest rates and wild fluctuations in foreign exchange rates are also areas of concern.

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.

Coimbatore
18th May, 2013

By Order of the Board
S V ALAGAPPAN
CHAIRMAN & MANAGING DIRECTOR



DECLARATION ON CODE OF CONDUCT

To the Members of Shiva Texyarn Limited

In compliance with the requirements of clause 49 of the listing agreement 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 31.03.2013.

Coimbatore
18th May, 2013

For **SHIVA TEXTYARN LIMITED**
S V ALAGAPPAN
CHAIRMAN & MANAGING DIRECTOR

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

(Under Clause 49 of the Listing Agreement)

To the Members of Shiva Texyarn Limited

We have examined the compliance of conditions of Corporate Governance by SHIVA TEXTYARN LIMITED for the year ended on 31st March 2013 as stipulated in Clause 49 of the listing agreement of the said company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the 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:

1. We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.
2. We state that based on representations made by the management and confirmation given by the Registrar and Share Transfer Agent of the company, no investor grievances were remaining unattended as on 31st March 2013 for a period exceeding one month.
3. 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.

Place : COIMBATORE
Date : 18th May, 2013

For **VKS AIYER & CO**
Chartered Accountants
ICAI Firm Regn. No. 000066S
V S SRINIVASAN
Partner
Membership No.F-13729

INDEPENDENT AUDITORS' REPORT**To the Members of Shiva Texyarn Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of SHIVA TEXTYARN LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act; and
 - e. on the basis of written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

Place : COIMBATORE

Date : 18th May, 2013

For VKS AIYER & CO
Chartered Accountants
ICAI Firm Regn. No. 000066S
V S SRINIVASAN
Partner
Membership No.F-13729

Annexure 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 its 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 during the year 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) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern, status of the Company is not affected.
2. In respect of its inventories:
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The Company has not granted loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956; the Company has taken interest free unsecured loan from directors/their relatives for an aggregate amount of Rs.125.00 lakhs, which remains outstanding as at the close of the year; the terms and conditions of these loans are not otherwise prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the Course of our audit, we have not observed any major weaknesses in internal control system.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section; and
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s.301 of the Companies Act



1956, which exceeded Rs. 5 (Five) lakhs in respect of any party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 58A and 58AA of the Companies Act 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public in the past; no fresh public deposits were accepted or renewed during the year. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 for Textile and Wind Electricity. 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.
9. In respect of statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, 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) The disputed statutory dues aggregating to Rs.17.54 lakhs, that have not been deposited on account of matters pending before appropriate authorities are as under:-

Sl. No.	Name of the Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. in lakhs)
1.	ESI Act	ESI	ESI	Financial Year 1995 - 96	1.52
1.	TNVAT Act	VAT	High Court of Madras	Financial Year 2008 - 09	16.02

10. The Company has no accumulated losses and has not incurred cash loss during the financial year covered by our audit. However, the company has incurred cash loss in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. According to the records of the Company, there are no transactions and contracts in respect of trading in securities, debentures and other investments; all shares, debentures and other investments have been held by the Company in its own name.
15. The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
16. The Term Loans raised by the Company have been applied for the purpose for which they were raised.
17. In our opinion and according to the information and explanations given to us and on over all examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the period under audit.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that caused the financial statements to be materially misstated.

Place : COIMBATORE
Date : 18th May, 2013

For VKS AIYER & CO
Chartered Accountants
ICAI Firm Regn. No. 000066S
V S SRINIVASAN
Partner
Membership No.F-13729



NOTE : I. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS 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.

B. 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.

C. FIXED ASSETS

- i) Fixed assets have been maintained in the books at historical cost. Fixed assets acquired on amalgamation of Shiva Texyarn Limited have been accounted for based on the gross purchase consideration adopted for acquisition as per the Scheme of Amalgamation which was effective from 1.1.2001.
- ii) Cenvat credit eligible against capital equipments purchased during the year for central excise duty paid, service tax paid and for State Value Added Tax paid have been adjusted and reduced from the cost of the relevant asset.

D. DEPRECIATION AND AMORTISATION

Provision for depreciation has been made on cost of fixed assets, as reduced by the cenvat credit, adopting the following methods/rates:

- i) On straight line method and at the rates prescribed in schedule XIV to the Companies Act 1956; for plant and machinery in the spinning units of textile division, the rates applicable to continuous process plant have been applied.
- ii) For assets costing Rs 5000/- or less, full depreciation has been charged in the year of purchase of such assets; 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, which has no revenue impact.
- iii) Amount paid towards advance rental for leasehold land is amortised over the period of lease.

E. 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 for at the rates negotiated by the bankers or at the forward contract rates wherever applicable; exchange fluctuation gain or loss has been charged to revenue.

F. 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.

G. 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 method |
| ii) Packing materials, stores and spares | - at weighted average method |
| iii) Process | - at weighted average method including appropriate production overhead |
| iv) Finished goods | - at weighted average method including appropriate production overhead |
| v) Waste | - at since realised/realisable value |
| vi) Scrapped machines | - at depreciated value or net realisable value, whichever is lower |
| vii) Stationery, stamps etc., | - at actual item wise cost |

H. 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.

I. 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.

J. REVENUE RECOGNITION

- i) Sales are accounted 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) Sales 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 of electricity to Tamilnadu 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 for to the extent collected upon final settlement of account with the parties.

K. EXCISE DUTY

Excise duty if any is consistently accounted on clearance basis.

L. DEFINED RETIREMENT 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 for 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 profit and loss account.

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 profit and loss account.

M. 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.

N. 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.

O. 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 Profit and Loss Account.

P. 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.

Q. 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.

R. 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.

S. 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.

T. CENVAT AND STATE VAT FOR INPUTS

- i) The value of eligible CENVAT Credit against Central Excise duty paid on purchase of capital goods and service tax on capital expenditure have been deducted from the cost of relevant plant and machinery capitalized.
- ii) The value of eligible CENVAT Credit against Central Excise duty paid has been adjusted against the relevant materials purchased and inventory of materials has been valued at rates net of CENVAT Credit; Service Tax paid against input services has been reduced from the relevant expenses for input credit taken.
- iii) 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.
- iv) 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.

**BALANCE SHEET AS AT 31st MARCH 2013**

(Rs. in lakhs)

Particulars	Note No.	As at 31.3.2013	As at 31.3.2012
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	2,160.45	2,160.45
(b) Reserves and surplus	3	10,521.79	8,595.89
(c) Money received against share warrants		-	-
Sub total [1]		12,682.24	10,756.33
2. Share application money pending allotment		-	-
3. Non-current liabilities			
(a) Long-term borrowings	4	14,322.44	17,804.98
(b) Deferred tax liabilities (net)	5	3,137.67	2,228.70
(c) Other long-term liabilities	6	29.27	31.45
(d) Long-term provisions		-	-
Sub total [3]		17,489.38	20,065.13
4. Current liabilities			
(a) Short-term borrowings	7	4,380.23	7,112.17
(b) Trade payables	8	4,416.64	2,317.13
(c) Other current liabilities	9	4,566.63	4,525.48
(d) Short-term provisions	10	511.62	58.54
Sub total [4]		13,875.12	14,013.33
Total [1+2+3+4]		44,046.74	44,834.79
II. ASSETS			
1. Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		29,888.42	29,802.38
(ii) Intangible assets		37.92	23.26
(iii) Capital work-in-progress		800.47	1,005.91
(iv) Intangible assets under development		-	-
		30,726.81	30,831.55
(b) Non-current investments	12	134.02	146.21
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	13	2,138.58	1,626.36
(e) Other non-current assets		-	-
Sub total [1]		32,999.41	32,604.11
2. Current assets			
(a) Current investments		-	-
(b) Inventories	14	4,349.62	6,971.65
(c) Trade receivables	15	3,436.21	2,727.84
(d) Cash and cash equivalents	16	1,959.58	1,035.54
(e) Short-term loans and advances	17	627.81	570.43
(f) Other current assets	18	674.11	925.23
Sub total [2]		11,047.33	12,230.67
Total [1+2]		44,046.74	44,834.79

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

V S SRINIVASAN

Partner

Membership No.F-13729

For and on behalf of the Board

S V ALAGAPPAN

Chairman & Managing Director

S V ARUMUGAM

Director

Coimbatore

18th May 2013**M SHYAMALA**
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

(Rs. in lakhs)

Particulars	Note No.	Year ended 31.3.2013	Year ended 31.3.2012
A. CONTINUING OPERATIONS			
I. Revenue from operations	19	41,915.53	33,194.77
II. Other Income	20	122.66	161.64
III. Total revenue (I+II)		42,038.19	33,356.40
IV. Expenses:			
(a) Cost of materials consumed	21	25,238.07	23,556.84
(b) Purchase of stock-in-trade	22	215.60	1,088.83
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	854.28	1,575.53
(d) Employee benefits expense	24	1,386.96	947.38
(e) Finance costs	25	2,677.35	2,798.75
(f) Depreciation and amortisation expense	26	1,916.97	1,870.32
(g) Other expenses	27	7,068.71	4,357.90
Total Expenses		39,357.94	36,195.57
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		2,680.25	(2,839.17)
VI. Exceptional items	28	475.20	(24.02)
VII. Profit/(Loss) before extraordinary items and tax (V + VI)		3,155.45	(2,863.17)
VIII. Extraordinary items		-	-
IX. Net Profit/(loss) before tax (VII + VIII)		3,155.45	(2,863.17)
X. Tax expense :			
(a) Current tax	29	17.27	-
(b) Deferred tax	30	908.97	(920.83)
XI. Profit/(loss) for the period from continuing operations (IX-X)		2,229.21	(1,942.35)
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)		2,229.21	(1,942.35)
XVI. Earnings per Share - Basic & Diluted (Rs.)		10.32	(8.99)

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

V S SRINIVASAN

Partner

Membership No.F-13729

For and on behalf of the Board

S V ALAGAPPAN

Chairman & Managing Director

S V ARUMUGAM

Director

Coimbatore

18th May 2013

M SHYAMALA

Company Secretary

**CASH FLOW STATEMENT**

Particulars	Year ended 31.3.2013 (Rupees in lakhs)	Year ended 31.3.2012
A. Cash flow from operating activities:		
Net profit/(loss) before extraordinary items and tax	3,155.45	(2,863.18)
Adjustments for:		
Depreciation and amortisation	1,916.97	1,870.32
Profit on sale of fixed assets	(8.88)	(53.20)
Finance costs	2,677.35	2,798.75
Interest income	(40.39)	(52.06)
Dividend Income	(0.91)	(10.06)
Gain on sale of investments	(475.20)	-
Rental income from investment properties	(11.12)	(10.65)
Adjustments to carrying amount of investments (net)	6.30	2.19
	<u>4,064.13</u>	<u>4,545.29</u>
Operating profit/(loss) before working capital changes	<u>7,219.58</u>	<u>1,682.10</u>
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	2,622.03	6,075.91
Trade receivables	(708.37)	1,421.47
Short-term loans and advances	(57.39)	6.77
Long-term loans and advances	(657.11)	110.86
Other current assets	251.12	262.44
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	2,099.52	551.11
Other current liabilities	41.15	39.94
Other long-term liabilities	(2.18)	6.12
Short-term provisions	149.76	13.57
	<u>3,738.53</u>	<u>8,488.18</u>
Cash generated from operations	<u>10,958.11</u>	<u>10,170.28</u>
Direct Taxes	(17.27)	-
Net cash flow from Operating Activities	<u>10,940.84</u>	<u>10,170.28</u>

CASH FLOW STATEMENT (Contd...)

Particulars	Year ended 31.3.2013	Year ended 31.3.2012
	(Rupees in lakhs)	
B. Cash flow from investing activities:		
Capital expenditure on fixed assets	(1,813.19)	(1,390.71)
Capital advances for fixed assets	144.89	(109.54)
Sale of fixed assets	11.21	136.55
Sale of investments	479.70	-
Interest received	40.39	52.06
Dividend received	0.91	10.06
Rental income from investment properties	11.12	10.65
Net cash flow from investing activities	(1,124.97)	(1,290.93)
C. Cash flow from financing activities :		
Increase/(decrease) in long-term borrowings	(3,482.54)	(2,427.72)
Increase/(Decrease) in working capital borrowings	(2,731.94)	(4,649.28)
Finance costs	(2,677.35)	(2,798.75)
Dividend paid	-	(324.07)
Tax on dividend paid	-	(52.57)
Net cash flow from financing activities	(8,891.83)	(10,252.40)
Net increase in cash and cash equivalents	924.04	(1,373.04)
Cash and cash equivalents at the beginning of the year	1,035.54	2,408.57
Cash and cash equivalents at the end of the year	1,959.58	1,035.54

Subject to our report of even date attached

For VKS AIYER & CO

Chartered Accountants

V S SRINIVASAN

Partner

Membership No.F-13729

For and on behalf of the Board

S V ALAGAPPAN

Chairman & Managing Director

S V ARUMUGAM

Director

Coimbatore

18th May 2013

M SHYAMALA

Company Secretary



NOTES FORMING PART OF THE BALANCE SHEET

(Rs. in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 2 : SHARE CAPITAL		
Authorised:		
2,20,00,000 Equity shares of Rs.10/- each	2,200.00	2,200.00
Issued, subscribed and paid up :		
2,16,04,521 Equity shares of Rs.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 @ Rs.10/- each)		
- Number of shares	21,604,521	21,604,521
- Amount of shares	2,160.45	2,160.45
Closing balance		
(Equity shares @ Rs.10/- each)		
- Number of shares	21,604,521	21,604,521
- 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 allotted for contract without payment being received in cash	Nil	Nil
(b) Aggregate number and Class of shares allotted 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 Limited		
- Number of shares	10,110,667	10,110,667
- % of holding	46.80%	46.80%
(b) Annamallai Retreading Company Private Limited		
- Number of shares	5,083,577	5,083,577
- % of holding	23.53%	23.53%

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

(Rs. in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
(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 1 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
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	7,955.72	7,955.72
Add: Transferred from surplus in Statement of Profit and Loss	150.00	-
Closing balance	8,105.72	7,955.72
(d) Surplus in Statement of Profit and Loss: Opening balance	(1,614.61)	327.74
Add : Profit/(loss) after tax for the year	2,229.21	(1,942.34)
	614.60	(1,614.61)
Less : (i) Dividend proposed to be distributed to equity shareholders	259.25	-
(ii) Tax on proposed dividend	44.06	-
(iii) Transfer to General reserve	150.00	-
Closing balance	161.29	(1,614.61)
Total (a+b+c+d)	10,521.79	8,595.89
NOTE 4 : LONG-TERM BORROWINGS		
(a) Term loans from Banks (Refer note (i) below)		
Secured	14,186.77	17,304.98
(b) Loans and advances from related parties (Refer note (ii) below)		
Unsecured	125.00	500.00
(c) Hire purchase finance from Banks (Refer note (iii) below)		
Secured	10.67	-
	14,322.44	17,804.98

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

(Rs. in lakhs)

Particulars			As at 31.03.2013	As at 31.03.2012
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) ICICI Bank Ltd	Repayable in 32 quarterly instalments of Rs.12.50 lakhs each, commencing from January, 2006.	First charge on the immovables and hypothecation of movables of spinning unit-I of the company and also guaranteed by a Director of the Company	37.50	87.50
(b) Indian Overseas Bank	Repayable in 96 monthly instalments varying from Rs.15.00 to Rs.49.00 lakhs each, commencing from April, 2012.	Hypothecation of windmills and equitable mortgage of related lands in Tirupur district, Tamilnadu	2,592.00	2,832.00
(c) Indian Overseas Bank	Repayable in 32 quarterly instalments of Rs.250.00 lakhs each, commencing from September, 2010.	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	3,150.00	3,516.17
(d) Indian Overseas Bank	Repayable in 96 monthly instalments of varying from Rs.10.00 lakhs to Rs.27.00 lakhs commencing from April, 2006.	Hypothecation of windmills and equitable mortgage of related lands in Tirunelveli district, Tamilnadu	27.00	351.00
(e) Canara Bank	Repayable in 16 half yearly instalments of Rs.54.01 lakhs each, commencing from December, 2006.	Hypothecation of windmills and equitable mortgage of related lands in Coimbatore district, Tamilnadu and also guaranteed by Managing Director, a Director and an erstwhile Director of the Company	108.02	216.04

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

(Rs. in lakhs)

Particulars				As at 31.03.2013	As at 31.03.2012
(f)	Canara Bank	Repayable in 32 quarterly instalments of Rs.250.00 lakhs each, commencing from March, 2011.	First charge on the immovables and hypothecation of m o v a b l e s o f spinning unit-II of the Company	3,456.59	4,456.59
(g)	State Bank of Hyderabad	Repayable in 32 quarterly instalments of Rs.154.00 lakhs each, commencing from March, 2010.	First charge on the immovables and hypothecation of m o v a b l e s o f spinning unit-II of the Company	2,445.22	3060.91
(h)	Uco Bank	Repayable in 32 quarterly instalments of Rs.16.41 lakhs each, commencing from September, 2010.	First charge on the immovables and hypothecation of m o v a b l e s o f spinning unit-II of the Company	311.67	383.42
(i)	Bank of Maharashtra	Repayable in 30 quarterly instalments of Rs.40.00 lakhs each, commencing from December, 2009.	First charge on the immovables and hypothecation of movables of spinning unit-I of the Company	548.77	537.45
(j)	Bank of Baroda	Repayable in 28 quarterly instalments of Rs.90.00 lakhs each (except for the last instalment) and Rs.70.00 lakhs for the last instalment commencing from August 2011.	First charge on the immovables and hypothecation of m o v a b l e s o f spinning unit-I of the Company	1,510.00	1,870.00
				14,186.77	17,304.98

[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]

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

(Rs. in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
(ii) Loans and advances from related parties		
Loan from Directors/their relatives :		
Unsecured :	125.00	500.00
	<u>125.00</u>	<u>500.00</u>
Name of the bank	Terms of repayment	Nature of security
(iii) HDFC Bank	Repayable in 36 monthly instalments of Rs. 0.67 lakhs each, commencing from september 2012.	Hypothecation of motor car
	10.67	-
	<u>10.67</u>	<u>-</u>
(iv) Continuous defaults in repayment of loans and interest	Nil	Nil
NOTE 5 : DEFERRED TAX LIABILITIES (NET)		
(a) Deferred tax liability :		
Opening balance	4,142.54	4,100.71
Add : Additions during the year	8.16	41.83
	<u>4150.70</u>	<u>4142.54</u>
Less : Reversed during the year	-	-
Closing balance	<u>4150.70</u>	<u>4142.54</u>
(b) Deferred tax asset :		
Opening balance	1,913.84	951.18
Add: Additions during the year	-	962.66
	<u>1913.84</u>	<u>1913.84</u>
Less : Reversed during the year	900.81	-
Closing balance	<u>1013.03</u>	<u>1913.84</u>
Deferred tax liability (Net) (a)-(b)	<u>3137.67</u>	<u>2228.70</u>
NOTE 6 : OTHER LONG-TERM LIABILITIES		
(i) Trade / Security deposits received	20.26	23.90
(ii) Income received in advance	3.21	2.75
(iii) Rent deposit received	5.80	4.80
	<u>29.27</u>	<u>31.45</u>

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

(Rs. in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
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NOTE 7 : SHORT-TERM BORROWINGS

Loans repayable on demand :

From banks (Refer note below)

Secured	4,380.23	7,112.17
	4,380.23	7,112.17

Note :

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 loans :				
ICICI Bank Ltd	Repayable in full in January' 2014	Subservient charge on inventories and trade receivables	2,000.00	2,000.00
(b) Working capital loans :				
(i) Indian Overseas Bank - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	138.07	1,990.80
(ii) Indian Overseas Bank - FCNR (B)	Repayable on demand	Hypothecation of inventories and trade receivables	-	251.89
(iii) Indian Overseas Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	558.09	381.55
(iv) Bank of Baroda - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	142.04	602.59
(v) Canara Bank - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	454.59	587.03
(vi) Canara Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	233.50	-

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

(Rs. in lakhs)

Particulars			As at 31.03.2013	As at 31.03.2012
Name of the bank	Terms of repayment	Nature of security		
(vii) Allahabad Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	464.41	-
(viii) Allahabad Bank - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	171.37	1,298.32
(ix) ICICI Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	132.75	-
(x) Canara Ban - ILC	Repayable on demand	Hypothecation of inventories and trade receivables	85.41	-
			4,380.23	7,112.17

[The above loans in Sl. Nos. (b) (i) to (b) (x) rank pari passu wherever applicable as per agreement executed between the lending banks and the Company].

NOTE 8 : TRADE PAYABLES

(a) Trade payables - Micro, Small and Medium Enterprises	-	1.37
(b) Trade payables - Others	4,416.64	2,315.76
	4,416.64	2,317.13

NOTE 9 : OTHER CURRENT LIABILITIES

(a) Current maturities of long-term debt (Refer note (i) below)	3,973.37	3,863.37
(b) Interest accrued and due on loans (Refer note (ii) below)	197.71	263.03
(c) Income received in advance	0.03	0.03
(d) Unclaimed dividends	26.99	30.22
(e) Unclaimed matured deposits and interest accrued thereon	11.28	13.50
(f) Unclaimed matured debentures and interest accrued thereon	0.22	0.22
(g) Other payables	357.03	355.12
	4,566.63	4,525.48

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

(Rs. in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Notes :		
(i) Current maturities of long-term debt		
(a) Term loans from Banks (Secured):		
ICICI Bank Ltd	50.00	50.00
Indian Overseas Bank	1,606.00	1,504.00
Canara Bank	1,108.02	1,108.02
State Bank of Hyderabad	616.00	616.00
UCo Bank	65.64	65.64
Bank of Maharashtra	159.71	159.71
Bank of Baroda	360.00	360.00
(b) Hire purchase finance from Banks (Secured):		
HDFC Bank	8.00	-
	<u>3,973.37</u>	<u>3,863.37</u>
(ii) Interest accrued and due on loans		
Term loans from Banks :		
Indian Overseas Bank	94.99	123.13
Canara Bank	42.52	50.72
State Bank of Hyderabad	33.07	41.69
Uco Bank	4.66	11.83
Bank of Maharashtra	8.54	9.95
Bank of Baroda	-	25.71
ICICI Bank Ltd	13.93	-
	<u>197.71</u>	<u>263.03</u>

[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	42.22	58.54
(b) Provision for gratuity	57.24	-

Others :

(a) Provision for tax (Net of advance tax Rs.558.28 lakhs (Last year Rs.Nil))	108.85	-
(b) Provision for proposed dividend	259.25	-
(c) Provision for tax on dividend	44.06	-
	<u>511.62</u>	<u>58.54</u>



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

NOTE 11 : FIXED ASSETS

(Rs. in lakhs)

Sl. No.	Particulars	GROSS BLOCK		ACCUMULATED DEPRECIATION			NET BLOCK		
		As at 1.4.2012	Additions / Transfers	Deletions / Transfers	As at 31.3.2013	As at 01.4.2012	For the Year Deletions	As at 31.3.2013	As at 31.3.2012
A Tangible assets -									
1	Land:Free hold land								
-	- Agricultural land			-	-	-	-	-	-
-	- Other land	390.80	2.52	0.50	392.82	-	-	392.82	390.80
	Lease hold land #	-	33.11	-	33.11	-	0.47	32.64	-
2	Buildings:								
-	- Own use	6,310.18	452.59	-	6,762.77	672.59	175.84	5,914.35	5,637.60
-	- Given under operating lease	-	-	-	-	-	-	-	-
3	Plant and equipments	33,121.35	1,388.35	26.39	34,483.32	9,501.44	1,705.24	23,279.31	23,619.91
4	Furniture and fixtures	73.00	37.39	-	110.40	27.05	5.75	77.60	45.95
5	Vehicles	85.80	63.71	-	149.52	43.70	10.97	94.84	42.10
6	Office Equipments	137.28	39.83	-	177.11	71.26	8.97	96.88	66.02
	Total (A)	40,118.42	2,017.50	26.89	42,109.04	10,316.04	1,907.24	29,888.42	29,802.38
B Intangible assets									
1	Computer software	28.51	23.01	-	51.51	5.24	8.35	37.92	23.26
	Total (B)	28.51	23.01	-	51.51	5.24	8.35	37.92	23.26
C Capital work-in-progress									
	Buildings	870.49	288.61	361.25	797.86	-	-	797.86	870.49
	Machinery	135.41	836.60	969.40	2.61	-	-	2.61	135.41
	Total (C)	1,005.91	1,125.21	1,330.65	800.47	-	-	800.47	1,005.91
D Intangible assets under construction									
	Total (D)	-	-	-	-	-	-	-	-
	Total (A+B+C+D)	41,152.83	3,165.73	1,357.54	42,961.02	10,321.29	1,915.59	30,726.81	30,831.55
	Total for the Previous Year	39,946.61	1,915.25	709.02	41,152.83	8,553.49	1,868.94	30,831.55	31,393.12

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.,)

(Rs. in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 12 : NON-CURRENT INVESTMENTS		
(a) Investment property (Refer note (i) below)	69.02	70.40
(b) Investment in equity instruments (Refer note (ii) below)	65.00	75.81
Total	134.02	146.21
(i) Investment property		
Nature of property		
Lands	5.71	5.71
Buildings (Refer notes (a) to (c) below)	63.31	64.69
	69.02	70.40
Notes:		
(a) Original cost - Buildings	84.61	84.61
	84.61	84.61
(b) Accumulated depreciation - Buildings	21.30	19.92
	21.30	19.92
(c) Written down value - Buildings	63.31	64.69
	63.31	64.69

(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	1.05	1.75	1.75
Hindalco Industries Ltd	20	10	0.02	0.02	0.02
ICICI Bank	1465	10	15.41	8.89	8.89
IDBI Bank Ltd	640	10	0.53	0.37	0.37
IFCI Ltd	16000	10	4.37	11.29	11.29
KG Denim Ltd	5000	10	0.70	0.85	0.85

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

(Rs. in lakhs)

Name of the Company	No. of shares	Face value	Market value	Current year Cost	Previous year Cost
NEPC India Ltd	13000	10	0.23	6.66	6.66
Ponni Sugars & Chemicals Ltd	3030	10	0.03	0.40	0.40
Shree Karthik Papers Ltd	30000	10	0.82	3.00	3.00
State Bank of India	50	100	1.05	0.58	0.58
Steel Authority of India Ltd	1000	10	0.63	0.62	0.62
Sterlite Industries (India) Ltd	9050	10	8.12	15.22	15.22
Super Sales Agencies Ltd	2300	10	4.72	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	0.19	0.73	0.73
Total			38.08	57.53	57.53

(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
Shiva Distilleries Ltd	-	10		-	4.50
Tulya Alloy Castings Ltd	1200	10		0.12	0.12
Bannari Infotech Private Ltd	300000	10		30.00	30.00
Total				35.42	39.92

© Abstract :

Aggregate amount of quoted investments	57.53	57.53
Market value of quoted investments	38.08	41.10
Aggregate amount of unquoted investments	35.42	39.92
Aggregate amount of equity investments	92.95	97.45
Less: Provision for diminution in value of investments	27.95	21.64
Net carrying amount of equity investments	65.00	75.81

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

(Rs. in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 13 : LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
(a) Capital advances	274.06	418.95
(b) Security deposit	268.10	231.42
(c) Prepaid expenses	12.52	12.65
(d) Advance income tax [Net of provision Rs.Nil (Last year Rs.880.76 lakhs)]	-	27.33
(e) MAT credit entitlement	1,549.19	911.56
(f) Other loans and advances	34.71	24.46
	2,138.58	1,626.36

Long term loans and advances due by Directors/ officers, due by Firms or Private Limited Companies in which any Director is a Partner or Director

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NOTE 14 : INVENTORIES

(a) Raw materials	2,425.25	4,424.55
(b) Work-in-progress (Refer note below)	534.04	714.31
(c) Finished goods	886.26	1,356.27
(d) Stores, spares, packing and other materials	399.41	173.60
(e) Waste	104.66	302.93
	4,349.62	6,971.65

Note :

Work - in - progress

Cotton	467.14	461.39
Yarn	33.13	27.36
Fabric	33.77	225.56
Total	534.04	714.31

[Mode of valuation stated in Sl. No.G of significant Accounting Policies]

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

(Rs. in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 15 : TRADE RECEIVABLES		
(a) Trade receivables outstanding for a period exceeding six months		
- Unsecured, considered good	87.41	319.82
- Doubtful	36.94	10.88
	124.35	330.70
Less : Provision for bad and doubtful debts	36.94	10.88
	87.41	319.82
(b) Other trade receivables		
- Unsecured, considered good	3,348.80	2,408.02
	3,436.21	2,727.84
[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	15.74	25.90
(b) Cheques, drafts on hand	70.00	38.00
(c) Balances with banks:		
(i) In current cash credit accounts	1,720.72	820.28
(ii) In deposit/margin money accounts (Refer note below)	126.13	121.13
(iii) In unpaid dividend accounts	26.99	30.22
	1,959.58	1,035.54
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) Prepaid expenses	132.06	129.76
(b) Balances with government authorities :		
(i) CENVAT credit receivable	39.79	33.09
(ii) VAT credit receivable	7.16	13.08
(iii) VAT advance tax paid	25.00	-
(d) Others	423.80	394.49
	627.81	570.43
[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.,)

(Rs. in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE 18 : OTHER CURRENT ASSETS		
(a) Unbilled revenue	143.06	159.68
(b) Accruals :		
Interest accrued on deposits	1.54	0.38
Windmill generation - unadjusted	26.01	32.40
(c) Others :		
(i) Insurance claims receivable	7.36	2.15
(ii) Interest on TUF loan receivable	283.95	550.04
(iii) Export incentive receivables	212.04	179.97
(iv) Other Miscellaneous assets	0.15	0.60
	674.11	925.23
<i>Note :</i> Long-term loans and advances includes due from:		
a) Directors	-	-
(b) Officers	-	-
(c) Firms in which Director is a partner	-	-
(d) Private Companies in which Director is a director/member	-	-
	-	-

**NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS**

(Rs. in lakhs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
NOTE 19 : REVENUE FROM OPERATIONS		
(a) Sale of products	41,139.32	32,506.34
(b) Other operating revenues (Refer note below)	864.53	688.43
	42,003.85	33,194.77
Less: Excise duty	88.32	-
	41,915.53	33,194.77
Note: Other operating revenues		
Duty drawback and other export incentives	377.58	662.95
Processing charges receipts	486.95	23.94
Commission receipts	-	1.54
	864.53	688.43
NOTE 20 : OTHER INCOME		
(a) Interest income (Refer note (i) below)	40.39	52.06
(b) Dividend income (Refer note (ii) below)	0.91	10.06
(c) Net gain on foreign currency transactions	29.61	-
(d) Other non-operating income (Refer note (iii) below)	51.75	99.52
	122.66	161.64
Notes :		
(i) Interest income		
Interest from bank on deposit	12.54	31.10
Interest on other deposits	25.27	14.85
Interest on loans and advances	1.36	0.67
Interest on income tax refund	1.22	5.44
	40.39	52.06
(ii) Dividend income		
From long-term investments		
Subsidiaries	-	-
Associates	-	-
Others	0.91	10.06
	0.91	10.06

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

(Rs. in lakhs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
(iii) Other non-operating income		
Rental income from investment properties	11.12	10.65
Profit on sale of fixed assets	8.88	53.20
Bad debts recovery	1.11	10.94
Sundry Balances written back	1.97	-
Prior period items (net)	1.95	-
Other miscellaneous income	26.72	24.73
	<u>51.75</u>	<u>99.52</u>

NOTE 21 : COST OF MATERIALS CONSUMED

Consumption of Raw materials :

Opening stock - Raw materials	4,424.55	8,855.51
- Work-in-process	461.39	418.43
Add : Purchases	23,244.52	19,168.84
	<u>28,130.46</u>	<u>28,442.79</u>
Less : Closing stock - Raw materials	2,425.25	4,424.55
- Work-in-process	467.14	461.39
Cost of materials consumed	<u>25,238.07</u>	<u>23,556.84</u>

NOTE 22 : PURCHASE OF STOCK-IN-TRADE

Cotton	46.44	891.00
waste	-	19.59
Yarn	128.88	125.78
Garments	40.28	52.46
	<u>215.60</u>	<u>1,088.83</u>

**NOTE 23 : CHANGES IN INVENTORIES OF FINISHED
GOODS AND WORK-IN-PROGRESS**

(a) Inventories at the end of the year:

Finished goods	886.26	1,356.27
Stock-in-progress	66.90	252.92
Waste	104.66	302.93
	<u>1,057.82</u>	<u>1,912.11</u>

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

(Rs. in lakhs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
(b) Inventories at the beginning of the year :		
Finished goods	1,356.27	3,169.13
Stock-in-progress	252.92	67.59
Waste	302.93	250.93
	1,912.12	3,487.65
Net (increase)/decrease in stock (b)-(a)	854.28	1,575.53
NOTE 24 : EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and wages (Refer note (i) below)	1,043.76	782.61
(b) Contribution to provident and other funds (Refer note (ii) below)	117.07	51.79
(c) Staff welfare expenses (Refer note (iii) below)	226.13	112.98
	1,386.96	947.38
Notes :		
(i) Salaries and Wages		
Remuneration to Directors	39.23	24.00
Salaries, wages and allowances	947.14	687.50
Bonus and ex-gratia	57.39	71.11
	1,043.76	782.61
(ii) Contribution to provident and other funds		
Contribution to provident fund	21.39	17.25
EDLI & PF administration charges	7.50	5.30
Contribution to family pension fund	31.98	27.81
Contribution to gratuity	56.20	1.42
	117.07	51.79
(iii) Staff welfare expenses		
Employees state insurance contribution	10.86	9.98
Staff recruitment and training expenses	22.00	21.60
Welfare expenses	193.27	81.40
	226.13	112.98

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

(Rs. in lakhs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
NOTE 25 : FINANCE COSTS		
(a) Interest expenses (Refer note (i) below)	2,516.29	2,564.98
(b) Other borrowing costs (Refer note (ii) below)	161.06	162.44
(c) Loss on foreign currency transactions (FCNRB loans)	-	71.33
	<u>2,677.35</u>	<u>2,798.75</u>
Notes :		
(i) Interest expenses on :		
Cash credit from banks	616.88	621.04
Term loan from banks	1,883.72	1,941.52
Public deposits	0.43	0.50
Finance Charges on finance lease	1.47	-
Other interest	13.79	1.92
	<u>2,516.29</u>	<u>2,564.98</u>
(ii) Other borrowing costs :		
Commitment charges	21.72	13.31
Loan processing fee	-	8.38
Bank charges	139.34	140.75
	<u>161.06</u>	<u>162.44</u>
NOTE 26 : DEPRECIATION AND AMORTISATION EXPENSES		
(a) Depreciation and amortisation on tangible assets	1,908.62	1,865.70
(b) Depreciation and amortisation on intangible assets	8.35	4.62
	<u>1,916.97</u>	<u>1,870.32</u>
NOTE 27 : OTHER EXPENSES		
(a) Manufacturing expenses (Refer note (i) below)	4,233.99	2,084.17
(b) Administrative expenses (Refer note (ii) below)	555.75	391.64
(c) Repairs and maintenance (Refer note (iii) below)	1,191.60	934.56
(d) Selling and distribution expenses (Refer note (iv) below)	925.12	893.76
(e) Miscellaneous expenses (Refer note (v) below)	162.25	53.77
	<u>7,068.71</u>	<u>4,357.90</u>

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

(Rs. in lakhs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Notes: (i) Manufacturing expenses:		
Power and fuel	4,901.53	2,509.38
Less: Captive consumption	2,336.70	1,503.15
	<u>2,564.83</u>	<u>1,006.24</u>
Consumption of chemicals, stores and packing materials	740.34	377.30
Processing charges paid	928.82	700.63
	<u>4,233.99</u>	<u>2,084.17</u>
(ii) Administrative expenses :		
Rent	20.42	26.33
Insurance	151.36	94.76
Rates and taxes	97.91	77.90
Directors' sitting fee	1.65	1.55
Donations	10.08	0.06
Payments to auditors	8.60	15.99
Legal and professional charges	75.57	43.29
Postage and telephone	50.97	23.53
Travelling and conveyance	115.13	37.24
Printing and stationery	23.85	16.94
Bad trade receivables and advances written off	0.21	2.80
Sundry balances written off	-	12.47
Prior period items (net)	-	38.78
	<u>555.75</u>	<u>391.64</u>
(iii) Repairs and maintenance :		
- Buildings	125.44	99.27
- Machinery	762.96	553.69
- Electrical	72.76	61.45
- Vehicles	23.77	22.25
-Windmills	132.30	132.29
-Others	74.37	65.61
	<u>1,191.60</u>	<u>934.56</u>

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

(Rs. in lakhs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
(iv) Selling and distribution expenses :		
Advertisement expenses	12.94	2.44
Freight and Transport on Sales	296.83	273.27
Commission and brokerage	415.65	325.68
Discount on sales	191.64	290.65
Business promotion expenses	8.06	1.73
	925.12	893.76
(v) Miscellaneous expenses :		
Provision for doubtful debts / advances	26.06	-
Adjustments to carrying amount of investments (net) (Refer note below)	6.30	2.19
Accrued income - Shortfall written off	66.16	-
Security Service Charges	-	0.25
Electricity and lighting expenses	18.37	7.02
Subscription, membership and periodicals	9.60	2.22
Listing fee	2.81	2.76
Filing and registration fees	4.14	5.80
General expenses	28.81	33.53
	162.25	53.77
Notes :		
Adjustments to carrying amount of investments (net)		
From current investments	-	-
From long-term investments	6.30	2.19
	6.30	2.19
NOTE 28 : EXCEPTIONAL ITEMS		
(a) Income :		
Profit on sale of Investments	475.20	-
	475.20	-
(b) Expenses :		
Interest on TUF loan scheme foregone	-	24.02
	-	24.02
Net income/(expenses) (a) - (b)	475.20	(24.02)



(Rs. in lakhs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
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NOTE 29 : CURRENT TAX

(a) Current tax expense for current year:

(A) Regular tax	-	-
(B) Book Profit tax	655.03	-
Less : MAT credit entitlement	637.63	-
	<u>17.40</u>	<u>-</u>
Current tax expense for the year (higher of A or B)	17.40	-
(b) Current tax expense relating to prior years	(0.13)	-
	<u>17.27</u>	<u>-</u>

NOTE 30 : DEFERRED TAX

(a) Provision for Deferred Tax Liability (Dr)	8.16	41.83
(b) Reversal of Deferred Tax Liability (Cr)	-	-
(c) Provision for Deferred Tax Asset (Cr)	-	(962.66)
(d) Reversal of Deferred Tax Asset (Dr)	900.81	-
	<u>908.97</u>	<u>(920.83)</u>

ADDITIONAL NOTES ATTACHED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE - 31 : OTHER NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
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 income tax demand pending in appeal before the first Appellate authority	1.05	-
(iii) Disputed central sales tax demand in respect of which interim stay granted by Hon'ble High Court of Madras	16.02	-
B Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	143.75	333.81
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other Commitments:		
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	3,526.44	3,365.10
C Proposed dividends		
(a) On Preference Shares:		
Total amount of proposed dividend	-	-
Number of Shares	-	-
Amount of dividend per share	-	-
Arrears of cumulative dividend	-	-
(b) On Equity Shares:		
Total amount of proposed dividend	259.25	-
Number of shares	21,604,521	21,604,521
Amount of dividend per share	1.20	-
D Unutilised amount of proceeds of securities issued for specific purpose	-	-
E Diminution in value of assets other than fixed assets & non-current investments	-	-



Particulars	Year ended 31.03.2013	Year ended 31.03.2012
II ADDITIONAL NOTES TO STATEMENT OF PROFIT AND LOSS		
1 Payments to auditors		
Independent audit :		
(a) As auditors - Statutory audit	4.16	4.16
(b) For Taxation matters	1.50	1.12
(c) For company law matters	-	7.72
(d) For management services	-	1.85
(e) For other services	2.94	1.14
	<u>8.60</u>	<u>15.99</u>
2 Prior period items:		
(a) Income	1.95	-
(b) Expenses	-	38.78
Net of prior period itmes (a) - (b)	<u>1.95</u>	<u>(38.78)</u>
3 Disclosure for raw materials, purchased goods and finished goods under broad heads		
Sale of products		
(a) Manufactured goods:		
Yarn	28,417.64	24,607.46
Fabric	7,367.35	2,682.26
Garments	715.80	1,593.73
Coated fabrics (Canvas)	156.75	-
Laminated fabrics	1,400.93	-
Waste	2,714.78	2,309.55
Wind energy	127.62	161.47
Total	<u>40,900.87</u>	<u>31,354.48</u>
(b) Traded goods:		
Cotton	93.11	938.97
Waste	-	16.83
Yarn	95.61	124.36
Garments	49.73	71.71
Total	<u>238.45</u>	<u>1,151.86</u>
Total sale of products (a)+(b)	<u>41,139.32</u>	<u>32,506.34</u>

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Raw materials consumption		
(a) Cotton	24,196.68	22,742.00
(b) Others	1,041.39	814.84
Total	25,238.07	23,556.84
Purchase of traded goods		
(a) Cotton	46.44	891.00
(b) Waste	-	19.59
(c) Yarn	128.89	125.78
(d) Garments	40.27	52.46
Total	215.60	1,088.83
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 (Rs.)	22,454.36	23,556.84
(%)	88.97	100.00
Imported (Rs.)	2,783.71	-
(%)	11.03	-
Total	25,238.07	23,556.84
Stores and spares		
Indigenous (Rs.)	901.07	447.84
(%)	86.52	78.58
Imported (Rs.)	140.33	122.10
(%)	13.48	21.42
Total	1,041.40	569.94
5. Value of imports calculated on CIF basis by the company during the financial year in respect of		
(i) Raw materials	3,136.25	60.97
(ii) Components and spare parts	164.36	98.60
(iii) Capital goods	738.85	-
6. Expenditure in foreign currency during the financial year on account of:		
Royalty, know-how, professional and consultation fees	5.06	-
Interest and dividend	-	-
Traveling, training and others	96.72	3.13



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;

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
(i) Total number of Non-resident shareholders	-	-
(ii) Total number of shares held	-	-
(iii) Total amount of dividend due/paid	-	-
(iv) Year to which the dividend related	-	-
8. Earnings in foreign exchange classified under the following heads, namely:-		
(i) Export of goods calculated on FOB basis	9,506.00	10,744.60
(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	0.28	0.27
10. Rates and taxes include wealth tax	0.11	-

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 method
ii. Process	At weighted average method (incl. appropriate production overhead)
iii. Finished goods	At weighted average method (incl. appropriate production overhead)
iv. Stock of packing materials and stores and spares	At weighted average method

2) AS 15 - Employee benefits

(a) Defined Contribution Plan

(i) Contribution to provident fund & EPS	21.39	17.25
(ii) Contribution to family pension fund	31.98	27.81
(iii) Contribution to employees state insurance scheme	10.86	9.98

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
b) Defined benefit plan : Gratuity		
A. Changes in Present Value of Obligation		
PV of Obligation as at the beginning of the year	158.42	128.06
Current Service Cost	12.64	8.78
Interest cost	13.60	13.38
Acturial (gain)/Loss on Obligation	3.83	8.20
PV of Obligation as at the end the year	188.49	158.42
B. Change in Assets during the year ended 31st March		
FV of Plan Assets as at the beginning of the year	152.51	150.60
Expected return on Plan Assets	13.60	13.38
Settlement Claims-Credit	(11.77)	(12.44)
Contributions by the employer	-	0.97
FV of Plan Assets as at the end of the year	154.34	152.51
C. Net Asset/(Liability) Recognized in the Balance Sheet		
PV of Obligation as at the end the year	188.49	158.42
FV of Plan Assets Obligation as at the end the year	154.34	152.51
Funded Status [Surplus/(Deficit)]	(34.15)	(5.91)
D. Expenses recognized during the period ended 31st March		
Current Service Cost	12.64	8.78
Interest Cost	13.60	13.38
Expected return on Plan Assets	(14.26)	(14.09)
Actuarial (gains)/Losses	43.95	(6.74)
Net Amount recognised in Statement of profit and loss	55.93	1.33
E. Categories of Plan assets as a percdentage of Total Plan assets		
Equity Instruments	-	-
Debt Instruments	-	-
Property	-	-
Insurer Managed Asset	100.00%	100.00%
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%	8.00%
- Unit-II	6.50%	6.50%



Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Rate of return on plan assets (Per Annum)		
- Unit-I	9.25%	9.25%
- Unit-II	9.00%	9.00%
Expected average remaining working lives of employees (Years)		
- Unit-I	33.40	33.50
- Unit-II	35.45	37.00

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 : Nil

(ii) Associates :

Anamallais Agencies Private Ltd

Anamallais Automobiles Private Ltd

Annamallai Infrastructures Ltd

Annamallai Retreading Company Private Ltd

Bannari Amman Flour Mill Ltd

Bannari Amman Spinning Mills Ltd

Sakthi Murugan Transports Ltd

Shiva Cargo Movers Ltd

Shiva Distilleries Ltd

Vedanayagam Hospital Ltd

Sundar Ram Enterprise Private Ltd

(iii) Key management personnel :

Sri S V Alagappan - Chairman and Managing Director

Sri S K Sundararaman - Executive Director

(iv) Relatives of key management personnel :

Dr S V Balasubramaniam - Brother of Chairman and Managing Director

Sri S V Kandasami - Brother of Chairman, Managing Director and F/o. Executive Director

Sri S V Arumugam - Brother of Chairman and Managing Director

Smt A Lalitha - Daughter of Chairman and Managing Director

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
B. Nature and amount of related party transactions and balances outstanding :		
Associates		
Rent paid	6.44	7.46
Purchase of yarn	93.78	136.06
Purchase of canvas	12.44	-
Purchase of fabrics	252.05	4.74
Purchase of garments	40.28	-
Purchase of waste cotton	-	19.59
Service charges paid	0.33	2.33
Processing charges paid	434.95	-
Labour charges paid	24.26	-
Sale of fabrics	286.37	0.26
Conversion charges received	111.15	23.21
Sale of yarn	548.18	110.38
Sale of cotton	-	27.79
Sale of stores materials	-	20.87
Processing charges received	103.12	-
Key management personnel		
Remuneration	45.37	28.32
Relatives of key management personnel		
Remuneration	5.40	5.40
Amount outstanding at the year end :		
Associates		
Receivables	179.57	140.62
Payables	307.12	29.56
Key management personnel		
Receivables	-	-
Payables	26.47	44.42
Relatives of key management personnel		
Receivables	-	-
Payables	125.00	500.00
Amount written off during the year		
Associates	-	-
Key management personnel	-	-
Relatives of key management personnel	-	-



Particulars	Year ended 31.03.2013	Year ended 31.03.2012
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	2,229.21	(1,942.35)
Weighted average number of shares	21,604,521	21,604,521
Basic and Diluted earnings per share (Rs.)	10.32	(8.99)
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	4,150.70	4,142.40
Related to others	-	0.14
	<u>4,150.70</u>	<u>4,142.54</u>
B. Deferred tax asset :		
Related to provisions	20.05	10.05
Related to disallowance	27.33	19.46
Related to unabsorbed business loss/depreciation allowance	965.65	1,884.33
	<u>1,013.03</u>	<u>1,913.84</u>
Net deferred tax liability as at close of the year	3,137.67	2,228.70
Net deferred tax liability as at beginning of the year	2,228.70	3,149.53
Net increase/(decrease) in deferred tax liability	<u>908.97</u>	<u>(920.83)</u>
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, 2013 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.

Particulars	As at 31.03.2013	As at 31.03.2012
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 OTHER DISCLOSURES

- 1 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 2010-11; disputed income tax demand pending in appeal before the first Appellate authority Rs.1.05 lakhs
 - (b) The wealth tax assessments have been completed upto the assessment year 2010-11; No further liability in likely to arise as against completed or pending assessments



- 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 The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

Subject to our report of even date attached

For VKS AIYER & CO

Chartered Accountants

V S SRINIVASAN

Partner

Membership No.F-13729

For and on behalf of the Board

S V ALAGAPPAN

Chairman & Managing Director

S V ARUMUGAM

Director

Coimbatore

18th May 2013

M SHYAMALA

Company Secretary

Financial Performance - Year Wise

(Rs. 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	272.3	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	41915.53	5072.42	1916.97	3155.45	12

* Turnover = Net Sales + Closing Stock – Opening Stock

PLANT LOCATIONS

SPINNING UNITS

Spinning Unit - I

Velvarkottai Village
Dindigul District
Tamil Nadu

Spinning Unit - II

Kodanagipalayam Village
Karadivavi Road
Paruvai (P.O), Coimbatore District
Tamil Nadu

Knitting Unit & Garment Unit

Kodanagipalayam Village
Karadivavi Road
Paruvai (P.O), Coimbatore District
Tamil Nadu

Processing Unit

SIPCOT Industrial Growth Centre
Perundurai, Erode District

WIND MILLS

Munduelampatti Village
Erode District
Tamil Nadu

Gudimangalam
Athukinathupatti and
Uthukuli Villages
Coimbatore District
Tamil Nadu

Sanganeri
Tirunelveli District
Tamil Nadu



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