



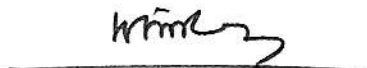



SHIVA TEXYARN LIMITED

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043 Tamilnadu INDIA
Telephone : 0422-2435555 Fax : 0422-4383325 E-mail : shares@shivatex.co.in
CIN : L65921TZ1980PLC000945 Website : www.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 2014
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

33rd Annual Report 2014



SHIVA TEXYARN LIMITED

CONTENTS

Board of Directors	1
Notice to Shareholders	2
Directors' Report	15
Annexure to Directors' Report	19
Corporate Governance	21
Management Discussion and Analysis	28
Auditors' Certificate on Corporate Governance	30
Independent Auditors' Report	31
Balance Sheet	40
Statement of Profit and Loss Account	41
Cash Flow Statement	42
Notes to Financial Statement	44
Financial Performance - Year wise	76

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
Website : www.shivatex.co.in
CIN : L65921TZ1980PLC000945

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 33rd Annual General Meeting of the Members of the Company will be held at Nani Kalaiarangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037 on Monday the 25th day of August, 2014 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, consider and adopt the Balance Sheet as at 31st March, 2014 and the Statement of 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 consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
RESOLVED that pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board, the company do hereby appoint the retiring auditor of the Company as statutory auditor for a further period as under:
 - I. M/s VKS Aiyer & Co., Coimbatore (Firm Registration No.000066S) shall hold office for a period of three years from the conclusion of this Annual General Meeting till the conclusion of 36th Annual General Meeting.
 - II. The appointment of auditor as above shall be subject to ratification by members at every Annual General Meeting in accordance with the first proviso to Section 139(1) of the Companies Act, 2013 or as may be amended or clarified by the Government from time to time.
 - III. The Board of Directors be and are hereby authorised to fix their remuneration on the recommendation of Audit Committee each year.

SPECIAL BUSINESSES

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Sri K N V Ramani (holding DIN 00007931), a Director of the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Dr K R Thillainathan (holding DIN 00009400), a Director of the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment

thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Sri C S K Prabhu (holding DIN 00002913), a Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation and in accordance with the provisions of the Companies Act, 2013 is required to be appointed as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.

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

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Sri S Palaniswami (holding DIN 00007901), a Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation and in accordance with the provisions of the Companies Act, 2013 is required to be appointed as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.

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

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, Sri S Marusamy (holding DIN 00610091), a Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation and in accordance with the provisions of the Companies Act, 2013 is required to be appointed as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years i.e., from 25.8.2014 to 24.8.2019.

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

RESOLVED that in supersession of the earlier Resolution passed in this regard and pursuant to Section 293 (1) (d) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 24th September, 2007 and pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members be and is hereby granted to the Board of Directors of the Company to borrow for the purposes of its business, apart from temporary loans obtained and or to be obtained from the Company's bankers in the ordinary course of business, a sum or sums of money not exceeding ₹500 Crores (Rupees Five Hundred Crores Only), excluding the interest accrued thereon, notwithstanding that such aggregate amount of borrowing outstanding at any one time may exceed paid up capital and its free reserves, that is to say, reserves not set apart for any specific purpose, from the Company's bankers or from any person or persons, firms, bodies corporate or Financial Institutions and by way of deposits, debentures, advances or other loans whether unsecured or secured by mortgage, charge, hypothecation or pledge of any or all of the Company's assets and properties existing and future, on such terms and conditions as the Board of Directors may from time to time, deem fit.

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

RESOLVED that in pursuant to Section 293(1)(a) of the Companies Act, 1956, and Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the members of the Company be and is hereby accorded to the Board of Directors for the creation of mortgages, charges and



hypothecations, in such form and manner as the Board of Directors may deem fit on such of the Company's movable and immovable properties, both present and future, and in such manner as the Board may direct, the Company, in certain events in favour of Lender(s)/Financial Institutions/Bank(s)/Trustees and other investing agencies to secure Rupee Loans, Securities (Comprising fully/partly Convertible Debentures with or without detachable or non-detachable warrants) or other debt instruments together with interest thereon at the respective agreed rates, compounded rates, additional interest, liquidated damages, commitment charges, remuneration of Trustee(s), premia on pre-payment or on redemption, costs, charges, expenses, including any increase as a result of devaluation/revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company to the Lender(s)/Financial Institutions/Bank(s)/Trustees and other investing agencies under the arrangements entered into/to be entered by the Company in respect of the said loans, securities or other instruments.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalize the terms and conditions of the above mentioned loans, securities, instruments and documents for creating the aforesaid mortgages, charges and hypothecations and to do all such acts and things and execute such documents or writings as may be necessary for giving effect to the above resolution.

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

In partial modification of the earlier resolution passed in this regard, **RESOLVED** that Under Section 314(1)(b) of the Companies Act, 1956, and under section 188 (1) (f) of the Companies Act, 2013 and other applicable provisions, if any, approval of shareholders be and is hereby accorded to increase the remuneration payable to Smt A Lalitha, Chief Executive, from ₹45,000/- to ₹2,50,000/- per mensem with effect from 1.1.2014.

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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting in item 4 to 11, are annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 19.8.2014 to 25.8.2014 (both days inclusive).
5. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 25.8.2014. In respect of dematerialized shares, dividend will be paid on the basis of the beneficial ownership furnished by the National Security Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 18.8.2014.
6. The Company has transferred unclaimed dividends upto the financial year ended 31.3.2006 to General Revenue Account/Investor Education and Protection Fund of the Central Government. The dividend declared for the financial year ended 31.3.2007 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.
7. Members are requested to bring their copy of the Annual Report along with them to the meeting.
8. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, as an

alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting. Please note that the voting through electronic means is optional for the members.

9. The voting through electronic means will be available from 20th August, 2014, 10:00 A.M to 21st August, 2014 6:00 P.M. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter.
10. The Company has appointed Mr R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
11. The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- i. Log on to the e-voting website: www.evotingindia.co.in
- ii. Click on "Shareholders" tab.
- iii. Now, select the "SHIVA TEXTYARN LIMITED" from the drop down menu and click on "SUBMIT"
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.co.in and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.



- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant "SHIVA TEXTYARN LIMITED" on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

12. In case of members receiving the physical copy:

- i) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

- ii) The voting will be available from 20th August, 2014 10.00 A.M. to 21st August, 2014 6:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 11th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- iii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

13. In case of members desiring to exercise vote by Postal Ballot:

- a) A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer. Members are requested to read the instructions contained on the reverse of the Postal Ballot Form and follow the same.
 - b) As the Company, being a Listed Company and having more than 1000 Shareholders, is compulsorily required to provide e-voting facility to its members in terms of Sec 108 of the Companies Act, 2013 read with the Rules made thereunder and Clause 35 B of the Listing Agreement, voting by show of hands will not be available to the members at the 33rd Annual General Meeting in view of provisions of Sec 107 read with Sec 114 of the said Act. Hence the items of Business given in this notice are proposed to be transacted through electronic voting/postal ballot system/poll. The voting rights are available to the members who are the members as on 11th July, 2014 (cut off date for the purpose of exercising voting rights).
 - c) In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Postal Ballot Form is annexed. A member desiring to exercise vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to Mr R DHANASEKARAN, Practicing Company Secretary (CP No.7745), C/o. M/s. S.K.D.C. CONSULTANTS LTD, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006, so as to reach him on or before 22nd August, 2014. Any Postal Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.
14. Kindly note that members can opt for only one mode of voting i.e., either by physical ballot or through e-voting. If members are opting for e-voting then do not vote by Physical Ballot or vice versa. However, in case of Members casting their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
15. In support of the "Green Initiative" announced by the Government of India, electronic copy of the Annual Report and Notice *inter alia* indicating the process and manner of e-voting along with attendance slip and proxy form are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the Company / Depository Participants unless member has requested for a hard copy of the same.

Coimbatore
21st May, 2014

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



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

ITEM 4

Sri K N V Ramani is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 26.5.2008. Sri K N V Ramani is Chairman of the Audit Committee of the Board of Directors of the Company.

Sri K N V Ramani is a Corporate Lawyer has more than 55 years of specialisation in Companies Act, Taxation, Labour law etc., He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Sri K N V Ramani, who retires at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956 and in terms of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, is proposed to be appointed as an Independent Director for five consecutive years for a term from 25.8.2014 to 24.8.2019.

In the opinion of the Board, Sri K N V Ramani fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri K N V Ramani as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri K N V Ramani as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri K N V Ramani as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice under section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of ₹ 1,00,000 (Rupees one lakh).

Except Sri K N V Ramani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

ITEM 5

Dr K R Thillainathan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 28.12.2005. Dr K R Thillainathan is a member of the Remuneration Committee of the Board of Directors of the Company.

He has more than 35 years of experience in Medical Profession. He is holding 300 shares in the Company. Dr K R Thillainathan, who retires at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956 and in terms of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, is proposed to be appointed as an Independent Director for five consecutive years for a term from 25.8.2014 to 24.8.2019.

In the opinion of the Board, Dr K R Thillainathan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr K R Thillainathan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to

avail services of Dr K R Thillainathan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr K R Thillainathan as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice under section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of ₹ 1,00,000 (Rupees one lakh).

Except Dr K R Thillainathan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

ITEM 6

Sri C S K Prabhu is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 26.5.2008. Sri C S K Prabhu is Chairman of the Remuneration Committee and a member of the Audit Committee, of the Board of Directors of the Company.

Sri C S K Prabhu has more than 35 years of experience in Audit Profession as Chartered Accountant. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Sri C S K Prabhu, in terms of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, is proposed to be appointed as an Independent Director for five consecutive years for a term from 25.8.2014 to 24.8.2019.

In the opinion of the Board, Sri C S K Prabhu fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri C S K Prabhu as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri C S K Prabhu as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri C S K Prabhu as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice under section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of ₹ 1,00,000 (Rupees one lakh).

Except Sri C S K Prabhu, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

ITEM 7

Sri S Palaniswami is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 28.12.2005. Sri S Palaniswami is the Chairman of Investors' Grievance Committee and member of the Audit Committee and Remuneration Committee of the Board of Directors of the Company.

He has more than 35 years of experience in the field of vertical transportation elevators, escalators and allied products.

Sri S Palaniswami, in terms of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, is proposed to be appointed as an Independent Director for five consecutive years for a term from 25.8.2014 to 24.8.2019.

In the opinion of the Board, Sri S Palaniswami fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri S Palaniswami as an Independent Director setting out the terms and



conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri S Palaniswami as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri S Palaniswami as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice under section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of ₹ 1,00,000 (Rupees one lakh).

Except Sri S Palaniswami, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

ITEM 8

Sri S Marusamy is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 22.8.2006. He has more than 35 years of experience in agro processing and transport agency business. He is holding 3283 shares in the Company.

Sri S Marusamy, in terms of Section 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges, is proposed to be appointed as an Independent Director for five consecutive years for a term from 25.8.2014 to 24.8.2019.

In the opinion of the Board, Sri S Marusamy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri S Marusamy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Sri S Marusamy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri S Marusamy as an Independent Director, for the approval by the shareholders of the Company. The Company has received a notice under section 160 from a member proposing his candidature for being appointed as Independent Director together with requisite deposit of ₹ 1,00,000 (Rupees one lakh).

Except Sri S Marusamy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

ITEM 9

At the Annual General Meeting of the Company held on 24.9.2007, the Members had, by way of an Ordinary Resolution and in pursuance of the provisions of Section 293(1) (d) of the Companies Act, 1956, authorized the Board to borrow for the purposes of its business, apart from temporary loans obtained and or to be obtained from the Company's bankers in the ordinary course of business, a sum or sums of money not exceeding ₹500 Crores. Now Section 180 of the Companies Act, 2013 was notified on September 12, 2013. Under the said section, the above powers of the Board are required to be exercised only with the consent of the company by way of a Special Resolution. The Ministry of Corporate Affairs ("MCA") had vide its General Circular No 4/2014 dated March 25, 2014, clarified that the Ordinary Resolutions passed under Section 293(1) (d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act for a period of one year from the date of notification.

The approval of the Members for the said borrowings, now being sought, by way of Special Resolution, pursuant to Section 180(1)(c) of the Act.

None of the Directors of the Company or their relatives or Key Managerial Personnel of the Company or their relatives, are concerned or interested in the passing of this Resolution.

ITEM 10

Under section 180 (1) (a) of the Companies Act, 2013 for the creation by the Board of Directors of such mortgages, charges and hypothecations, created/to be created by the Company in such form and manner as the Board of Directors may decide on such of the Company's movable and immovable properties, both present and future, and in such manner as the Board may decide, by the Company in certain events in favour of Lender(s)/Financial Institutions/Bank(s)/Trustees and other investing agencies.

Section 180 of the Act was notified on September 12, 2013. Under the said section, the creation of charge or mortgage by the Board is required to be exercised only with the consent of the company by way of a Special Resolution. The Ministry of Corporate Affairs ("MCA") had vide its General Circular No 4/2014 dated March 25, 2014, clarified that the Ordinary Resolutions passed under Section 293(1)(a) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act for a period of one year from the date of notification.

The approval of the Members for the said creation of a mortgage or charge, now being sought, by way of Special Resolutions, pursuant to Section 180(1)(a) of the Act.

None of the Directors of the Company or their relatives or Key Managerial Personnel of the Company or their relatives, are concerned or interested in the passing of this Resolution.

ITEM 11

Smt A Lalitha, was appointed, by the Board of Directors at their meeting held on 28.10.2009, as Chief Executive of the Company under section 314 (1) (b) of the Companies Act, 1956 with effect from 02.11.2009 on a monthly remuneration of ₹45,000/- per mensem. Considering her experience and the amount of duties and responsibilities allotted to her the Board of Directors at their meeting held on 5.2.2014 proposed to increase the remuneration payable to her with effect from 1.1.2014 from ₹45,000/- to ₹2,50,000/- per mensem.

The appointment having been made prior to 1.4.2014, the applicable provision is 314(1) (b) of the Companies Act, 1956. Hence the resolution proposed under the said provision. The remuneration proposed being ₹2,50,000/-, the requirement of a special resolution in term of Section 188(1)(f) does not arise.

Except Sri S V Alagappan, Chairman & Managing Director, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

Coimbatore
21st May, 2014

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND 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 K N V Ramani
	2.	Age	:	82 Years
	3.	Qualification	:	M.A., B.L.
	4.	Date of Appointment	:	26.5.2008
	5.	Experience	:	A renowned Corporate Lawyer, has more than 55 years of specialization in Companies Act, Taxation, Labour law etc.
	6.	Other Directorships	:	Sri Kannapiran Mills Limited Sri Chamundeswari Sugars Limited K G Denim Limited LGB Forge Limited Bannari Amman Spinning Mills Limited K P R Mill Limited Sree Sankara College Association Srinidhi Investment Advisors Private Limited
	7.	Member of Committee	:	Audit Committee - Chairman
	8.	Member of Committee in other Public Limited Companies	:	Bannari Amman Spinning Mills Limited Audit Committee – Member Sri Kannapiran Mills Limited Audit Committee – Member K G Denim Limited Audit Committee – Member
	9.	Number of Shares held in the Company:	:	Nil
II.	1.	Name	:	Dr K R Thillainathan
	2.	Age	:	60 Years
	3.	Qualification	:	MBBS

	4.	Date of Appointment	:	28.12.2005
	5.	Experience	:	He has more than 35 years of experience in Medical Profession
	6.	Other Directorships	:	Bannari Amman Spinning Mills Limited
	7.	Member of Committee	:	Nil
	8.	Member of Committee in other Public Limited Companies	:	Nil
	9.	Number of Shares held in the Company :		300
III.	1.	Name	:	Sri C S K Prabhu
	2.	Age	:	61 Years
	3.	Qualification	:	B.Com., FCA
	4.	Date of Appointment	:	26.5.2008
	5.	Experience	:	He has more than 35 years of experience in Audit Profession
	6.	Other Directorships	:	Bannari Amman Spinning Mills Limited Super Spinning Mills Limited Kakatiya Textiles Limited Scientific Fertiliser Company Pvt Limited P N R Housing 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 Investors’ Grievance Committee – Chairman Super Spinning Mills Limited : Audit Committee – Chairman Kakatiya Textiles Limited : Audit Committee – Member P N R Housing Limited Audit Committee – Chairman
	9.	Number of Shares held in the Company :		Nil



IV.	1.	Name	:	Sri S Palaniswami
	2.	Age	:	70 years
	3.	Qualification	:	B.E Electrical Engineering
	4.	Date of Appointment	:	28.12.2005
	5.	Experience	:	He has more than 35 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	:	Investors' Grievance Committee – Chairman Audit 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
V.	1.	Name	:	Sri S Marusamy
	2.	Age	:	69 years
	3.	Date of Appointment	:	28.12.2005
	4.	Experience	:	He has more than 35 years of experience in agro processing and transport agency business.
	5.	Other Directorships	:	Nil
	6.	Member of Committee	:	Nil
	7.	Member of Committees in other Public Limited Companies	:	Nil
	8.	Number of Shares held in the Company :		3283

Coimbatore
21st May, 2014

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

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Third Annual Report together with Audited Financial Statement of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS

	Financial Year (₹ in lakhs)	
	2013-2014	2012-2013
Profit before Interest and Depreciation	7352.70	7749.77
Less: Interest	2348.54	2677.35
Profit before Depreciation	5004.16	5072.42
Less: Depreciation	2008.74	1916.97
Profit before Tax	2995.42	3155.45
Less : Provision for Tax		
- Income tax - Current year	5.76	17.27
- Deferred tax - Current year	903.39	908.97
Profit after Tax	2086.27	2229.21
Add : Surplus/(Deficit) brought forward from last year	161.29	(1614.61)
Amount available for appropriation	2247.56	614.60
Appropriations :		
Provision for Equity Dividend	259.25	259.25
Provision for Tax on Dividend	44.06	44.06
Transfer to General Reserve	1500.00	150.00
Surplus carried over to Balance Sheet	444.25	161.29
Total	2247.56	614.60

DIVIDEND

Your Directors are glad to recommend payment of Dividend of ₹1.20/- per equity share of ₹10/- each (Last year ₹1.20/- per share of ₹10/- each). The Dividend on Equity Shares together with Distribution Tax on Corporate Dividend will absorb ₹303.31 lakhs (₹303.31 lakhs). The Dividend will be free from Income Tax in the hands of Shareholders.



REVIEW OF OPERATIONS

During the year under review, the textile spinning units together in aggregate produced 18858.80 tonnes (17068.66 tonnes) of yarn, of which 834.40 tonnes (3433.07 tonnes) was used to produce knitted fabrics. The textile spinning units, in aggregate sold 17853.59 tonnes (13923.87 tonnes) of yarn and 846.04 tonnes (3456.94 tonnes) as knitted fabrics. Further, during the year under review, the Company exported waste cotton for 973.40 tonnes (1118.37 tonnes).

The Wind Mills, with an installed capacity of 28.795 MW generated 417.99 lakh units of Wind Electricity as against 476.80 lakh units in the last year. The entire power generation by Wind Mills was utilized for captive consumption at the textile mills. During the year, generation from windmills was severely affected due to non evacuation of Wind power by TANGEDCO resulting in loss of generation of about 101.29 Lakh units, depressing the revenue and profits by about ₹557.07 Lakhs.

Your Directors report that the performance of the textile spinning units during the year was satisfactory as there was stability in Cotton (raw material) and Yarn prices for most part of the year. The emphasis is to produce more value added Yarn by installing Compact systems/Slub attachments for which investments are being made. The restriction and control measures of Tamil Nadu Electricity Generation and Distribution Company (TANGEDCO) continued in the year under review. However the Company could achieve maximum utilization and productivity, by making alternate arrangements of procuring private power.

The Company also focused more on production of technical textile products such as coated and laminated fabrics, intended for use in the field of defence, medical and other industrial applications, as its core area. In order to move up the value chain, the Company established a processing unit at SIPCOT, Perundurai in the financial year 2012-13, to carry out dyeing/printing operations. The overall sales turnover of the Company from all divisions aggregated to ₹49244.10 Lakhs (₹41139.32 Lakhs) of which exports amounted to ₹13536.27 Lakhs (₹9318.74 Lakhs), the exports contributing 27.49% (22.65%) of the overall sales of the Company.

PROSPECTS FOR THE CURRENT YEAR 2013-14

With moderation in cotton prices and stable demand for yarn in both domestic and export markets with adequate velocity, the prospect for spinning units may continue to be satisfactory. The contribution from Windmills on overall performance of the textile mills is dependent on availability of Wind of adequate velocity and arrangements by TANGEDCO for evacuation of wind power.

The contribution from Technical Textile products will increase significantly in the coming years and it is also expected that the processing unit operations will stabilise in the years to come.

PUBLIC DEPOSITS

As at the close of the year, there were 37 public deposits involving an amount of ₹8.48 lakhs which 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 management policy no fresh Public deposits are either accepted or renewals made.

DIRECTORS

Sri V Venkata Reddy ceased to be a Director of the Company by resignation with effect from 30.5.2013. The Board wishes to place on record its appreciation for the valuable services rendered by Sri V.Venkata Reddy during his tenure of office as Director in the growth of the Company.

INDEPENDENT DIRECTORS

In compliance of the provisions of The Companies Act, 2013 and the Listing Agreement entered into with the Stock Exchanges in which the Company's shares are listed, Independent Directors are required to be appointed for a consecutive term of five years besides the other requirements. Accordingly the Board of Directors have proposed to appoint Sri K N V Ramani and Dr K R Thillainathan, Directors, who are retiring by rotation at the ensuing annual general meeting, as Independent Directors for a Term of 5 consecutive years, i.e upto 24th August 2019. Further Sri C S K Prabhu, Sri S Palaniswami and Sri S Marusamy Directors are proposed for appointment as Independent Directors of the Company for a Term of five consecutive years, i.e. upto 24th August 2019. Your Directors recommend their appointment.

AUDIT COMMITTEE

The Audit Committee Comprises of

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

PARTICULARS OF EMPLOYEES

The information required as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is furnished in Annexure - I and forms part of this report.

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-II 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 2013-14 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 as stipulated under Clause 49 of the Listing Agreement form part of this Annual Report.

AUDITORS

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

COST AUDITOR

Sri M Nagarajan, Cost Accountant, Coimbatore has been appointed as Cost Auditor to conduct Cost Audit of the Company for the Financial year 2013 - 2014 with the approval of the Central Government.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGMENT

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 and suppliers of the Company for their support and to the employees at all levels for their co-operation and dedication.

Coimbatore
21st May, 2014

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

Annexure to Directors' Report**Annexure - I**

Statement Pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975.

Name	Designation	Remuneration Received (₹ in Lakhs)	Qualification	Age in Years	Experience as on 31.3.14	Date of commencement	Particulars of last employment
Sri S V Alagappan	Managing Director	163.87	B.Com., B.L	72	32	27.6.2005	Managing Director in Bannari Amman Spinning Mills Limited
Sri S K Sundararaman	Executive Director	116.43	MBA	39	15	13.8.2012	Executive Director in Bannari Amman Spinning Mills Limited

- Note : 1. The nature of employment is contractual.
 2. Sri S V Alagappan is related to Sri S V Arumugam, Director.
 3. Remuneration comprises of salary, commission, allowances, contribution to provident fund and monetary value of perquisites as evaluated under Income Tax Rules.

Annexure - II

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 implemented in various departments of the Spinning units based on suggestions made by Power consultants.

- (b) Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy. Investments for reduction of consumption of energy are being made after careful evaluation of each proposal.

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

The impact of the measures taken to reduce energy consumption is likely to accrue to the company in the coming years.

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)	238.17	173.69
Amount spent (₹ in Lakhs)	1869.39	1942.07
Rate per unit (₹)	7.85	11.18



	Current Year	Previous Year
b) Own Generation:-		
i) Through Diesel Generator:-		
Total Units produced (₹ in Lakhs)	10.69	18.63
Units produced per litre of diesel (Units)	3.30	3.41
Amount spent (₹ in Lakhs)	170.27	237.59
Cost per unit (₹)	15.92	12.75
ii) Through steam turbine/generator	Nil	Nil
iii) Through Wind Turbine Generator :-		
Total Units produced (₹ in Lakhs)	405.93	416.85
Cost of generation (₹ in Lakhs)	1390.36	1218.51
Cost per unit (₹)	3.43	2.92
iv) Through Furnace Oil Generator :-		
Total Units produced (₹ in Lakhs)	Nil	Nil
Cost of generation (₹ in Lakhs)	Nil	Nil
Cost per unit (₹)	Nil	Nil
2 Coal	Nil	Nil
3 Furnace oil	Nil	Nil
4 Others / Internal Generation	Nil	Nil

II. CONSUMPTION PER UNIT OF PRODUCTION

	₹ in Lakhs	₹ in Lakhs
Product: COTTON YARN		
Production in MT	18858.80	17068.66
Production in MT converted into 40s count	10735.00	10327.18
Electricity consumed in units (₹ in Lakhs)	654.79	609.16
Electricity consumed per Kg of yarn (Units)	6.10	5.90

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	0.28
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 (₹ in lakhs)	Previous Year (₹ in lakhs)
i) Total Foreign Exchange used (CIF Value)	2887.70	4141.24
ii) Total Foreign Exchange earned (FOB Value)	13128.72	9506.00

Coimbatore
21st May, 2014

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND 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. Management aims to achieve greater efficiency and remains competitive in comparison with the peers in the Industry.

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

BOARD OF DIRECTORS

The Board comprises of Eight Directors viz., One Managing Director, One Executive Director and Six Non Executive Directors. Five Directors are Independent Directors and have no business relationship with the Company.

During the financial year, 4 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 18.5.2013, 12.8.2013, 11.11.2013 and 5.2.2014.

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 23.9.2013:

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

[#] Resigned w.e.f. 30.5.2013.

**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	3
Sri C S K Prabhu	- Independent Director	4
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.
- Management discussion and analysis of financial condition and result of operations.

REMUNERATION COMMITTEE

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

1. Sri V Venkata Reddy [#]	- Chairman & Independent Director
2. Sri C S K Prabhu [@]	- Chairman & Independent Director
3. Dr K R Thillainathan	- Independent Director
4. Sri S Palaniswami	- Independent Director

[#] Resigned w.e.f. 30.5.2013.

[@] Appointed w.e.f. 12.8.2013.

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.

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	163.87
Sri S K Sundararaman	Executive Director	116.43

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 31.3.2014

Name of the Director	No. of Shares held
Sri S V Arumugam	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 3 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	1
Sri S Palaniswami @	- Chairman	2
Sri S V Arumugam	- Member	3

Resigned w.e.f. 30.5.2013.

@ Appointed w.e.f. 12.8.2013.

Mrs M Shyamala, Company Secretary is the Compliance Officer.

The Company received 3 complaints from the shareholders during the financial year 2013-2014. All the complaints have been resolved to the satisfaction of the shareholders. No share transfer was pending as on 31.3.2014..



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 Taxyarn 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 to the Board of Directors relating to financial statement and internal controls and systems 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
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
32 nd	23.9.2013	Nani Kalaiaragam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 37	10.15 A.M

DISCLOSURES

- None of the transactions with related parties during the year 2013-2014 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 and 25 th August, 2014	Financial Calendar
Time : 10.15 AM	Results Announced : 21.5.2014
Venue : Nani Kalaiaragam Mani Higher Secondary School Pappanaickenpalayam Coimbatore - 641 037	Posting of Annual Report : On or before 21.7.2014
	Last date of receipt of Proxy forms : 23.8.2014
	Dividend payment date : On or before 2.9.2014
	Announcement of quarterly Results : During First/Second week of August and November 2014; February and May 2015 or as stipulated by SEBI from time to time

Date of Book Closure for the purpose of Dividend

19.8.2014 to 25.8.2014 (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 2013 to March 2014 were :

MONTH	SHARE PRICE AT NSE		NIFTY - INDEX	
	High (Rs. Ps.)	Low (Rs. Ps.)	High	Low
April 2013	29.75	22.35	5962.30	5477.20
May	30.60	24.00	6229.45	5910.95
June	30.50	24.00	6011.00	5566.25
July	28.00	24.00	6093.35	5675.75
August	29.00	25.00	5808.50	5118.85
September	27.50	25.50	6142.50	5318.90
October	29.15	26.00	6309.05	5700.95
November	32.40	26.40	6342.95	5972.45
December	29.15	26.30	6415.25	6129.95
January 2014	31.35	25.75	6358.30	6027.25
February	28.55	24.00	6282.70	5933.30
March	27.20	23.00	6730.05	6212.25



Based on the closing quotation of ₹ 24.50 as at 31.3.2014 at National Stock Exchange of India Limited, Mumbai, the market capitalization of the company was ₹ 52.93 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 2014 - 2015.

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, 94.75% 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 31.3.2014

Category	No of Shares Held	Percentage of Shareholding
Promoter's Holding	16189794	74.94
Banks/FIs/Mutual Funds	1200	0.01
Private Corporate Bodies	312136	1.44
Indian Public	5075396	23.49
NRI/OCBs	25995	0.12
TOTAL	21604521	100.00

PLANT LOCATION

Spinning Unit - I	Spinning Unit - II	Knitting 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 Division
Factory E-16, P-11 SIPCOT Industrial Growth Estate Perundurai, Erode 638 052 Tamilnadu

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
21st May, 2014

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND 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 value added textiles products viz. Coated and Laminated fabrics. 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 both aggregating to 89472 spindles, Knitting and Garment units near Coimbatore, Processing unit at SIPCOT, Perundurai for dyeing/printing activities and 80 Windmills with an installed capacity of 28.795 MW.

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. It is the second largest employment provider after Agriculture and provides direct employment to over 35 million people. Thus the growth and all round development of this Industry has a direct bearing on the improvement of the economy of the Country.

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce has made India a sourcing hub. Due to policy measures initiated by the Government in the recent past, the Indian textiles industry is in a stronger position than it was in the last six decades. The industry which was growing at 3-4 percent during the last six decades has now accelerated to an annual growth rate of 8-9 per cent in value terms. The Government has also allowed 100 per cent FDI in the sector through the automatic route.

OPPORTUNITIES

The Industry traditionally fulfills one of the basic necessities of life. The development of textiles Industries complements the growth of several industries and institutions, such as the defense forces, railways, and government hospitals, which are the key institutional buyers of technical textiles. India's technical textile industry is an emerging area for investments with good growth opportunities. The competitiveness of the Indian Textile Industry compared to Bangladesh, China and Sri Lanka will enable Indian Companies to increase the volume of trade with existing as well as new markets.

OUTLOOK

The outlook for the Textile industry continues to be robust, positive with both raw material and finished goods prices remaining stable and demand being moderate. The potential size of the Indian textile and apparel industry is expected to reach US\$ 221 billion by 2021, according to Technopak's Textile and Apparel Compendium 2012. Garment exports from India is expected to touch US\$ 60 billion over the next 3 years, with the help of government support according to Apparel Export Promotion Council (AEPC).

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 looks for a stable exchange rate for rupee vis-à-vis the foreign currencies, to sustain profitability of exports and growth of volume. Availability of skilled labour and assured power supply 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
21st May, 2014

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND 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 31.03.2014.

Coimbatore
21st May, 2014

By Order of the Board
S V ALAGAPPAN
CHAIRMAN AND 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 2014 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 2014 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 : 21st May, 2014

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, 2014, 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, 2014;
- (b) in the case of the Statement of Profit and Loss, 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, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act..

Place : COIMBATORE

Date : 21st May, 2014

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 for an aggregate amount of ₹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 transactions made in pursuance of contracts or arrangements, that need to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - 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, 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 ₹421.77 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 Financial Year	Amount (₹ in lakhs)
1.	ESI Act	ESI	ESI	1995 - 96	1.62
2.	Central Sales Tax Act	CST	High Court of Madras	2008-09	16.02
3.	TNVAT Act	VAT	High Court of Madras	2008 - 09 to 2012 - 13	404.13

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 : 21st May, 2014

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



NOTE : I. SIGNIFICANT ACCOUNTING POLICIES

1. METHOD OF ACCOUNTING

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

2. USE OF ESTIMATES

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

3. FIXED ASSETS

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

4. INVESTMENTS

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

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

5. INVENTORIES

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

- | | |
|--|--|
| i) Raw materials - cotton | - at weighted average 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) Cotton 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 |

6. REVENUE RECOGNITION

- i) Sales are accounted for on transfer of property in goods to the buyers for a definite consideration; Sales exclude exchange fluctuation gain/loss realized or incurred during the year in respect of export sales for subsequent change in exchange rates after negotiation of documents.
- ii) 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 or transfer of electricity to Tamil Nadu Electricity Board and the income accrued for which billing is pending.
- iv) Revenue from others:
 - a) Income from investments in shares is accounted for in the year in which the right to receive the yield are definite.
 - b) Income from erstwhile financing business against overdue hire purchase instalments, lease rentals, bills discounted and loans written off are accounted for to the extent collected upon final settlement of account with the parties.

7. FOREIGN CURRENCY TRANSACTIONS

- i) Receivables on account of exports, backed by irrevocable letter of credit of customer's bankers are accounted for at the exchange rate as negotiated by the bankers at the time of discounting of export bills.
- ii) All other foreign currency transactions have been accounted for at the rates negotiated by the bankers or at the forward contract rates wherever applicable; exchange fluctuation on revenue account has been charged to revenue.

8. EXCISE DUTY

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

9. DEPRECIATION

Provision for depreciation has been made on cost of fixed assets, as reduced by the cenvat credit and state VAT 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 ₹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.



10. ACCOUNTING FOR TAXES ON INCOME

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

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

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

11. IMPAIRMENT OF ASSETS

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

12. BORROWING COSTS

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

13. EARNINGS PER SHARE

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

14. 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 Recognised Provident Fund 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.

15. RELATED PARTY TRANSACTIONS

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

16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

17. CASH FLOW STATEMENTS

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

18. CENVAT AND STATE VAT FOR INPUTS

- i) 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.

19. OPERATING LEASES

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

20. RESEARCH AND DEVELOPMENT

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

**BALANCE SHEET AS AT 31st MARCH 2014**

(₹ in lakhs)

Particulars	Note No.	As at 31.3.2014	As at 31.3.2013
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	2,160.45	2,160.45
(b) Reserves and surplus	3	12,304.74	10,521.79
(c) Money received against share warrants		-	-
Sub total [1]		14,465.19	12,682.24
2. Share application money pending allotment		-	-
3. Non-current liabilities			
(a) Long-term borrowings	4	12,956.06	14,322.44
(b) Deferred tax liabilities (net)	5	4,041.06	3,137.67
(c) Other long-term liabilities	6	30.34	29.27
(d) Long-term provisions		-	-
Sub total [3]		17,027.46	17,489.38
4. Current liabilities			
(a) Short-term borrowings	7	12,268.78	4,380.23
(b) Trade payables	8	4,793.37	4,416.64
(c) Other current liabilities	9	4,438.90	4,566.63
(d) Short-term provisions	10	390.61	511.62
Sub total [4]		21,891.66	13,875.12
Total [1+2+3+4]		53,384.31	44,046.74
II. ASSETS			
1. Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		29,714.35	29,888.42
(ii) Intangible assets		25.21	37.92
(iii) Capital work-in-progress		102.08	800.47
(iv) Intangible assets under development		-	-
		29,841.64	30,726.81
(b) Non-current investments	12	196.01	134.02
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	13	2,748.46	2,138.58
(e) Other non-current assets		-	-
Sub total [1]		32,786.11	32,999.41
2. Current assets			
(a) Current investments		-	-
(b) Inventories	14	12,969.14	4,349.62
(c) Trade receivables	15	4,278.93	3,436.21
(d) Cash and cash equivalents	16	1,933.35	1,959.58
(e) Short-term loans and advances	17	666.51	627.81
(f) Other current assets	18	750.27	674.11
Sub total [2]		20,598.20	11,047.33
Total [1+2]		53,384.31	44,046.74

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 and Managing Director

S V ARUMUGAM

Director

Coimbatore

21st May 2014**S K SUNDARARAMAN**

Executive Director

M SHYAMALA

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ in lakhs)

Particulars	Note No.	Year ended 31.3.2014	Year ended 31.3.2013
A. CONTINUING OPERATIONS			
I. Revenue from operations	19	50,446.66	41,915.53
II. Other Income	20	112.04	122.66
III. Total revenue (I+II)		50,558.70	42,038.19
IV. Expenses:			
(a) Cost of materials consumed	21	33,079.51	25,238.07
(b) Purchase of stock-in-trade	22	971.74	215.60
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(680.05)	854.28
(d) Employee benefits expense	24	2,103.71	1,386.96
(e) Finance costs	25	2,348.54	2,677.35
(f) Depreciation and amortisation expense	26	2,008.74	1,916.97
(g) Other expenses	27	7,731.09	7,068.71
Total Expenses		47,563.28	39,357.94
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		2,995.42	2,680.25
VI. Exceptional items	28	-	475.20
VII. Profit/(Loss) before extraordinary items and tax (V + VI)		2,995.42	3,155.45
VIII. Extraordinary items		-	-
IX. Net Profit/(loss) before tax (VII + VIII)		2,995.42	3,155.45
X. Tax expense :			
(a) Current tax	29	5.76	17.27
(b) Deferred tax	30	903.39	908.97
XI. Profit/(loss) for the period from continuing operations (IX-X)		2,086.27	2,229.21
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)		2,086.27	2,229.21
XVI. Earnings per Share - Basic & Diluted (₹)		9.66	10.32

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 and Managing Director

S V ARUMUGAM

Director

Coimbatore

21st May 2014**S K SUNDARARAMAN**

Executive Director

M SHYAMALA

Company Secretary

**CASH FLOW STATEMENT**

Particulars	Year ended 31.3.2014	Year ended 31.3.2013
	(₹ in lakhs)	
A. Cash flow from operating activities:		
Net profit/(loss) before extraordinary items and tax	2,995.42	3,155.45
Adjustments for:		
Depreciation and amortisation	2,008.74	1,916.97
Profit on sale of fixed assets	(0.06)	(8.88)
Loss on sale of fixed assets	12.09	-
Finance costs	2,348.54	2,677.35
Interest income	(32.95)	(40.39)
Dividend Income	(1.05)	(0.91)
Gain on sale of investments	-	(475.20)
Loss on sale of investments	-	-
Rental income from investment properties	(11.11)	(11.12)
Rental income from operating leases	-	-
Adjustments to carrying amount of investments (net)	(5.87)	6.30
Security deposit on lease written back	-	-
Deferred expenses written off	-	-
Impairment loss on assets leased written off	-	-
	<u>4,318.33</u>	<u>4,064.13</u>
Operating profit/(loss) before working capital changes	7,313.75	7,219.58
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(8,619.52)	2,622.03
Trade receivables	(842.72)	(708.37)
Short-term loans and advances	(38.70)	(57.39)
Long-term loans and advances	(527.17)	(657.11)
Other current assets	(76.16)	251.12
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	376.72	2,099.52
Other current liabilities	(127.73)	41.15
Other long-term liabilities	1.07	(2.18)
Short-term provisions	(121.01)	149.76
	<u>(9,975.22)</u>	<u>3,738.53</u>
Cash generated from operations	(2,661.47)	10,958.11
Cash flow from extraordinary items	-	-
	<u>(2,661.47)</u>	<u>10,958.11</u>
Direct Taxes	(5.76)	(17.27)
Net cash flow from Operating Activities	<u>(2,667.23)</u>	<u>10,940.84</u>

CASH FLOW STATEMENT (Contd...)

Particulars	Year ended 31.3.2014	Year ended 31.3.2013
	(₹ in lakhs)	
B. Cash flow from investing activities:		
Capital expenditure on fixed assets	(1,140.78)	(1,813.19)
Capital advances for fixed assets	(82.71)	144.89
Sale of fixed assets	6.57	11.21
Purchase of investment property	-	-
Sale of investments	-	479.70
Purchase of investment	(57.50)	-
Interest received	32.95	40.39
Dividend received	1.05	0.91
Rental income from investment properties	11.11	11.12
Rental income from operating leases	-	-
Sale of / write back of security deposit on assets leased	-	-
Capital subsidy received	-	-
Net cash flow from investing activities	<u>(1,229.31)</u>	<u>(1,124.97)</u>
C. Cash flow from financing activities :		
Increase/(decrease) in long-term borrowings	(1,366.38)	(3,482.54)
Increase/(Decrease) in working capital borrowings	7,938.54	(2,731.94)
Finance costs	(2,348.54)	(2,677.35)
Dividend paid	(259.25)	-
Tax on dividend paid	(44.06)	-
Net cash flow from financing activities	<u>3,920.31</u>	<u>(8,891.83)</u>
Net increase in cash and cash equivalents	(26.24)	924.04
Cash and cash equivalents at the beginning of the year	1,959.58	1,035.54
Cash and cash equivalents at the end of the year	1,933.33	1,959.58

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 and Managing Director

S V ARUMUGAM

Director

Coimbatore

21st May 2014**S K SUNDARARAMAN**

Executive Director

M SHYAMALA

Company Secretary



NOTES FORMING PART OF THE BALANCE SHEET

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE 2 : SHARE CAPITAL		
Authorised:		
2,20,00,000 Equity shares of ₹10/- each	2,200.00	2,200.00
Issued, subscribed and paid up :		
2,16,04,521 Equity shares of ₹10/- each fully paid up	2,160.45	2,160.45
(Refer notes (i) to (vii) below)	2,160.45	2,160.45
Notes:		
(i) Reconciliation in number and amount of Shares :		
Opening balance		
(Equity shares @ ₹10/- each)		
- Number of shares	21604521	21604521
- Amount of shares	2,160.45	2,160.45
Closing balance		
(Equity shares @ ₹10/- each)		
- Number of shares	21604521	21604521
- 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	10110667	10110667
- % of holding	46.80%	46.80%
(b) Annamallai Retreading Company Private Limited		
- Number of shares	5083577	5083577
- % of holding	23.53%	23.53%

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

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
(v) Rights, Preferences and restrictions attaching to each class of shares including restrictions on distribution of dividends and repayments of Capital : The Company has only one class of equity shares having par value of Rs. 10/- each; Each equity share carries one vote; the shares carry equal right with respect to payment of dividend and repayment of capital in any event.		
(vi) Terms of any securities convertible into Equity/Preference Shares issued along with earliest date of conversion in descending order starting from earliest such date : Not applicable		
(vii) Shares reserved for issue under option and Contract / Commitments for the sale of shares / disinvestment including terms and amounts : Not applicable		
NOTE 3 : RESERVES AND SURPLUS		
(a) Capital reserve : Opening balance	11.77	11.77
Add: Additions during the year	-	-
	<u>11.77</u>	<u>11.77</u>
Less: Utilised during the year	-	-
Closing balance	<u>11.77</u>	<u>11.77</u>
(b) Securities premium : Opening balance	2,243.01	2,243.01
Closing balance	<u>2,243.01</u>	<u>2,243.01</u>
(c) General reserve : Opening balance	8,105.72	7,955.72
Add: Transferred from surplus in Statement of Profit and Loss	1,500.00	150.00
Closing balance	<u>9,605.72</u>	<u>8,105.72</u>
(d) Surplus in Statement of Profit and Loss:		
Opening balance	161.29	(1,614.61)
Add : Profit/(loss) after tax for the year	2,086.27	2,229.21
	<u>2,247.56</u>	<u>614.60</u>
Less : (i) Dividend proposed to be distributed to equity shareholders	259.25	259.25
(ii) Tax on proposed dividend	44.06	44.06
(iii) Transfer to General reserve	1,500.00	150.00
Closing balance	<u>444.24</u>	<u>161.29</u>
Total (a+b+c+d)	<u>12,304.74</u>	<u>10,521.79</u>
NOTE : MONEY RECEIVED AGAINST SHARE WARRANTS	Nil	Nil
NOTE : MONEY APPLICATION MONEY PENDING ALLOTMENT	Nil	Nil
NOTE 4 : LONG-TERM BORROWINGS		
(a) Term loans from Banks (Refer note (i) below) Secured	12,828.39	14,186.77
(b) Loans and advances from related parties (Refer note (ii) below) Unsecured	125.00	125.00
(c) Hire purchase finance from Banks (Refer note (iii) below) Secured	2.67	10.67
	<u>12,956.06</u>	<u>14,322.44</u>



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

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
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 ₹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
(b) Indian Overseas Bank	Repayable in 96 monthly instalments varying from ₹15.00 to ₹49.00 lakhs each, commencing from April, 2012.	Hypothecation of windmills and equitable mortgage of related lands in Tirupur district, Tamilnadu
		2,232.00 2,592.00
(c) Indian Overseas Bank	Repayable in 32 quarterly instalments of ₹250.00 lakhs each, commencing from September, 2010.	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company
		2,500.00 3,150.00
(d) Indian Overseas Bank	Repayable in 96 monthly instalments of varying from ₹10.00 lakhs to ₹27.00 lakhs each, commencing from April, 2012.	Hypothecation of windmills and equitable mortgage of related lands in Tirunelveli district, Tamilnadu
		- 27.00
(e) Canara Bank	Repayable in 16 half yearly instalments of ₹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

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

(₹ in lakhs)

Particulars			As at 31.03.2014	As at 31.03.2013
(f) Canara Bank	Repayable in 32 quarterly instalments of ₹250.00 lakhs each, commencing from March, 2011.	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	2,773.00	3,456.59
(g) State Bank of Hyderabad	Repayable in 32 quarterly instalments of ₹154.00 lakhs each, commencing from March, 2010.	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	1,675.47	2,445.22
(h) Uco Bank	Repayable in 32 quarterly instalments of ₹16.41 lakhs each, commencing from September, 2010.	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	234.36	311.67
(i) Bank of Maharashtra	Repayable in 30 quarterly instalments of ₹40.00 lakhs each, commencing from December, 2009.	First charge on the immovables and hypothecation of movables of spinning unit-I of the Company	388.56	548.77
(j) Bank of Baroda	Repayable in 28 quarterly instalments of ₹ 90.00 lakhs each and last instalment of ₹ 70.00 lakhs commencing from August 2011.	First charge on the immovables and hypothecation of movables of spinning unit-I of the Company	1,150.00	1,510.00
(k) ICICI Bank Ltd	Repayable in 16 equal quarterly instalments commencing from February 2015.	First charge on the immovables and hypothecation of movables of spinning unit-I of the company.	1,875.00	-
			12,828.39	14,186.77

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

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

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
(II) Loans and advances from related parties Loan from Directors/their relatives :		
Unsecured :	125.00	125.00
	<u>125.00</u>	<u>125.00</u>

(III) Details of terms of repayment and security provided - Hire purchase finance from banks (Secured):

Name of the bank	Terms of repayment	Nature of security		
(iii) HDFC Bank	Repayable in 36 monthly instalments of ₹ 0.67 lakhs each, commencing from september 2012.	Hypothecation of motor car	2.67	10.67
			<u>2.67</u>	<u>10.67</u>
(iv) Continuous defaults in repayment of loans and interest			Nil	Nil

NOTE 5 : DEFERRED TAX LIABILITIES (NET)

(a) Deferred tax liability :

Opening balance	4,150.70	4,142.54
Add : Additions during the year	-	8.16
	<u>4,150.70</u>	<u>4150.70</u>
Less : Reversed during the year	54.49	-
Closing balance	<u>4,096.21</u>	<u>4150.70</u>

(b) Deferred tax asset :

Opening balance	1,013.03	1,913.84
Add: Additions during the year	-	-
	<u>1,013.03</u>	<u>1913.84</u>
Less : Reversed during the year	957.88	900.81
Closing balance	<u>55.15</u>	<u>1013.03</u>
Deferred tax liability (Net) (a)-(b)	<u>4,041.06</u>	<u>3137.67</u>

NOTE 6 : OTHER LONG-TERM LIABILITIES

(i) Trade / Security deposits received	22.87	20.26
(ii) Income received in advance	3.17	3.21
(iii) Rent deposit received	4.30	5.80
	<u>30.34</u>	<u>29.27</u>

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

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
-------------	---------------------	---------------------

NOTE 7 : SHORT-TERM BORROWINGS

Loans repayable on demand :

From banks (Refer note below)

Secured	12,268.78	4,380.23
	12,268.78	4,380.23

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
(b) Working capital loans :				
(i) Indian Overseas Bank - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	4,719.73	138.07
(ii) Indian Overseas Bank - FCNR (B)	Repayable on demand	Hypothecation of inventories and trade receivables	-	-
(iii) Indian Overseas Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	379.90	558.09
(iv) Bank of Baroda - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	1,217.57	142.04
(v) Canara Bank - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	1,564.47	454.59
(vi) Canara Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	123.75	233.50



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

(₹ in lakhs)

Particulars			As at 31.03.2014	As at 31.03.2013
Name of the bank	Terms of repayment	Nature of security		
(vii) Allahabad Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	590.98	464.41
(viii) Allahabad Bank - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	893.62	171.37
(ix) ICICI Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	443.44	132.75
(x) Canara Bank - ILC	Repayable on demand	Hypothecation of inventories and trade receivables	303.79	85.41
(xi) Indian Overseas Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	415.06	-
(xii) ICICI Bank - ILC	Repayable on demand	Hypothecation of inventories and trade receivables	450.15	-
(xiii) IOB R.S. Puram Branch ILC	Repayable on demand	Hypothecation of inventories and trade receivables	164.39	-
(xiv) Kotak Mahindra Bank Short Term Loan	Repayable on demand	Hypothecation of inventories and trade receivables	1,001.93	-
			12,268.78	4,380.23

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

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

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE 8 : TRADE PAYABLES		
(a) Trade payables - Micro, Small and Medium Enterprises	-	-
(b) Trade payables - Others	4,793.37	4,416.64
	<u>4,793.37</u>	<u>4,416.64</u>

NOTE 9 : OTHER CURRENT LIABILITIES

(a) Current maturities of long-term debt (Refer note (i) below)	3,583.87	3,973.37
(b) Interest accrued and due on loans (Refer note (ii) below)	151.25	197.71
(c) Income received in advance	0.03	0.03
(d) Unclaimed dividends	27.27	26.99
(e) Unclaimed matured deposits and interest accrued thereon	9.90	11.28
(f) Unclaimed matured debentures and interest accrued thereon	0.22	0.22
(g) Other payables	666.36	357.03
	<u>4,438.90</u>	<u>4,566.63</u>

Notes :

(i) Current maturities of long-term debt

(a) Term loans from Banks (Secured) :

ICICI Bank Ltd	37.50	50.00
Indian Overseas Bank	1,360.00	1,606.00
Canara Bank	852.02	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
ICICI Bank Ltd	125.00	-

(b) Hire purchase finance from Banks (Secured) :

HDFC Bank	8.00	8.00
(-) Deposits :		
Public deposits (Unsecured)	-	-
	<u>3,583.87</u>	<u>3,973.37</u>

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

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
(ii) Interest accrued and due on loans		
Term loans from Banks:		
Indian Overseas Bank	60.73	94.99
Canara Bank	35.35	42.52
State Bank of Hyderabad	26.83	33.07
Uco Bank	3.92	4.66
Bank of Maharashtra	6.46	8.54
Bank of Baroda	17.96	-
ICICI Bank Ltd	-	13.93
(-) Deposits:		
Public deposits	-	-
	151.25	197.71

[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	75.95	42.22
(b) Provision for gratuity	1.29	57.24

Others :

(a) Provision for tax (Net of advance tax)	10.06	108.85
(b) Provision for proposed dividend	259.25	259.25
(c) Provision for tax on dividend	44.06	44.06
	390.61	511.62

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

NOTE 11 : FIXED ASSETS

(₹ in lakhs)

Sl. No.	Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
		As at 1.4.2013	Additions / Transfers	Deletions / Transfers	As at 31.3.2014	As at 01.4.2013	For the Year	Withdrawn / Deletions	As at 31.3.2014	As at 31.3.2013
A Tangible assets -										
1	Land:Free hold land	-	-	-	-	-	-	-	-	-
-	- Agricultural land	-	-	-	-	-	-	-	-	-
-	- Other land	392.82	-	-	392.82	-	-	-	392.82	392.82
	Lease hold land #	33.11	-	-	33.11	0.47	0.33	-	32.30	32.64
2	Buildings:									
-	- Own use	6,762.77	1,107.01	-	7,869.78	848.42	198.85	-	6,822.51	5,914.35
-	- Given under operating lease	-	-	-	-	-	-	-	-	-
3	Plant and equipments	34,483.32	652.56	23.14	35,112.73	11,204.01	1,759.91	4.55	22,153.36	23,279.31
4	Furniture and fixtures	110.40	8.58	-	118.98	32.80	5.90	-	80.28	77.60
5	Vehicles	149.52	39.71	-	189.23	54.68	17.21	-	117.34	94.84
6	Office Equipments	177.11	30.32	5.04	202.39	80.23	11.46	5.04	115.74	96.88
	Total (A)	42,109.04	1,838.18	28.18	43,919.04	12,220.61	1,993.66	9.59	29,714.35	29,888.42
B Intangible assets										
1	Computer software	51.51	1.00	-	52.51	13.60	13.70	-	25.21	37.92
	Total (B)	51.51	1.00	-	52.51	13.60	13.70	-	25.21	37.92
C Capital work-in-progress										
	Buildings	797.86	2.73	778.15	22.44	-	-	-	22.44	797.86
	Machinery	2.61	50.71	-	53.32	-	-	-	53.32	2.61
	Electrical Installations	-	6.56	-	6.56	-	-	-	6.56	-
	Computer	-	9.77	-	9.77	-	-	-	9.78	-
	Furnitures & Fixtures	-	9.98	-	9.98	-	-	-	9.98	-
	TOTAL (C)	800.47	79.75	778.15	102.07	-	-	-	102.08	800.47
D Intangible assets under construction										
	Total (D)	-	-	-	-	-	-	-	-	-
	Total (A+B+C+D)	42,961.02	1,918.93	806.33	44,073.62	12,234.21	2,007.36	9.59	29,841.64	30,726.81
	Total for the Previous Year	41,152.83	3,165.73	1,357.54	42,961.02	10,321.29	1,915.59	2.67	30,726.81	30,831.55

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 SIPCOIT



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

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE 12 : NON-CURRENT INVESTMENTS		
(a) Investment property (Refer note (i) below)	67.64	69.02
(b) Investment in equity instruments (Refer note (ii) below)	128.37	65.00
Total	196.01	134.02
(i) Investment property		
Nature of property		
Lands	5.71	5.71
Buildings (Refer notes (a) to (c) below)	61.93	63.31
	67.64	69.02
Notes:		
(a) Original cost - Buildings	84.61	84.61
	84.61	84.61
(b) Accumulated depreciation - Buildings	22.68	21.30
	22.68	21.30
(c) Written down value - Buildings	61.93	63.31
	61.93	63.31

(ii) Investment in equity instruments

Name of the Company	No. of shares	Face value	Market value	Current year Cost	Previous year Cost
(A) QUOTED					
Arvind Liquid Gases Ltd	1000	10	0.01	0.41	0.41
Dyna Lamps & Glass Works Ltd	20000	10	0.20	2.00	2.00
Eastern Sugars & Industries Ltd	17500	10	0.35	1.75	1.75
Hindalco Industries Ltd	20	10	0.03	0.02	0.02
ICICI Bank	1465	10	18.24	8.89	8.89
IDBI Bank Ltd	640	10	0.42	0.37	0.37
IFCI Ltd	16000	10	4.25	11.29	11.29
KG Denim Ltd	5000	10	0.71	0.85	0.85

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

(₹ in lakhs)

Name of the Company	No. of shares	Face value	Market value	Current year Cost	Previous year Cost
NEPC India Ltd	13000	10	0.36	6.66	6.66
Ponni Sugars & Chemicals Ltd	3030	10	0.03	0.40	0.40
Shree Karthik Papers Ltd	30000	10	0.30	3.00	3.00
State Bank of India	50	100	0.96	0.58	0.58
Steel Authority of India Ltd	1000	10	0.71	0.62	0.62
Sterlite Industries (India) Ltd	9050	10	17.06	15.22	15.22
Super Sales Agencies Ltd	2300	10	8.97	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	0.16	0.73	0.73
Total			52.78	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
Tulya Alloy Castings Ltd	1200	10		0.12	0.12
Abirami Ecoplast Private Ltd	300000	10		30.00	30.00
OPG Metals Private Ltd	150000	10		1.50	-
Cauveri Power Generation Chennai Private Ltd	5600000	10		56.00	-
Total				92.92	35.42

© Abstract :

Aggregate amount of quoted investments	57.53	57.53
Market value of quoted investments	52.78	38.08
Aggregate amount of unquoted investments	92.92	35.42
Aggregate amount of equity investments	150.45	92.95
Less: Provision for diminution in value of investments	22.08	27.95
Net carrying amount of equity investments	128.37	65.00



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

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE 13 : LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
(a) Capital advances	356.77	274.06
(b) Security deposit	151.23	268.10
(c) Prepaid expenses	15.94	12.52
(d) Advance income tax [Net of provision (Last year ₹ 880.76 lakhs)]	-	-
(e) MAT credit entitlement	2,181.08	1,549.19
(f) Other loans and advances	43.44	34.71
	<u>2,748.46</u>	<u>2,138.58</u>
[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]	-	-
NOTE 14 : INVENTORIES		
(a) Raw materials	10,271.12	2,425.25
(b) Work-in-progress (Refer note below)	553.48	534.04
(c) Finished goods	1,627.23	886.26
(d) Stores, chemicals, packing and other materials	452.64	399.41
(e) Waste	64.67	104.66
	<u>12,969.14</u>	<u>4,349.62</u>
Note :		
Work - in - progress		
Cotton	507.50	467.14
Yarn	39.87	33.13
Fabric	6.11	33.77
Total	<u>553.48</u>	<u>534.04</u>

[Method of valuation stated in Sl. No.5 of Note No. 1 of significant Accounting Policies]

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

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE 15 : TRADE RECEIVABLES		
(a) Trade receivables outstanding for a period exceeding six months		
- Unsecured, considered good	98.93	87.41
- Doubtful	63.13	36.94
	<u>162.06</u>	<u>124.35</u>
Less : Provision for bad and doubtful debts	63.13	36.94
	<u>98.93</u>	<u>87.41</u>
(b) Other trade receivables		
- Unsecured, considered good	4,180.00	3,348.80
	<u>4,278.93</u>	<u>3,436.21</u>
[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	17.03	15.74
(b) Cheques, drafts on hand	-	70.00
(c) Balances with banks:		
(i) In current/cash credit accounts	1,662.41	1,720.72
(ii) In deposit/margin money accounts (Refer note below)	226.64	126.13
(iii) In unpaid dividend accounts	27.27	26.99
	<u>1,933.35</u>	<u>1,959.58</u>
NOTE 17 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
(a) Prepaid expenses	154.65	132.06
(b) Balances with government authorities :		
(i) CENVAT credit receivable	54.94	39.79
(ii) VAT credit receivable	14.56	7.16
(iii) VAT advance tax paid	50.00	25.00
(d) Others	392.36	423.80
	<u>666.51</u>	<u>627.81</u>
[Short-term loans and advances due by Directors/Officers, due by Firms or Private Limited Companies in which any Director is a Partner or Director]	-	-

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

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE 18 : OTHER CURRENT ASSETS		
(a) Unbilled revenue	2.25	143.06
(b) Accruals :		
Interest accrued on deposits	1.03	1.54
Windmill generation - unadjusted	70.81	26.01
(c) Others :		
(i) Insurance claims receivable	6.99	7.36
(ii) Interest subsidy on TUF loan receivable	402.21	283.95
(iii) Export/other incentive receivables	266.83	212.04
(iv) Other Miscellaneous assets	0.15	0.15
	<u>750.27</u>	<u>674.11</u>

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
NOTE 19 : REVENUE FROM OPERATIONS		
(a) Sale of products	49,244.10	41,139.32
(b) Other operating revenues (Refer note below)	1,202.56	864.53
	<u>50,446.66</u>	<u>42,003.85</u>
Less: Excise duty	-	88.32
	<u>50,446.66</u>	<u>41,915.53</u>
Note: Other operating revenues		
Duty drawback and other export incentives	467.69	377.58
Processing charges receipts	699.87	486.95
Machinery rental income	35.00	-
	<u>1,202.56</u>	<u>864.53</u>
NOTE 20 : OTHER INCOME		
(a) Interest income (Refer note (i) below)	31.46	40.39
(b) Dividend income (Refer note (ii) below)	1.05	0.91
(c) Adjustments to carrying amount of investments (net) [Refer Note (iii) B]	5.87	-
(d) Net gain on foreign currency transactions	2.51	29.61
(e) Other non-operating income (Refer note (iv) below)	71.15	51.75
	<u>112.04</u>	<u>122.66</u>
Notes :		
(i) Interest income		
Interest from bank on deposit	14.04	12.54
Interest on other deposits	16.61	25.27
Interest on loans and advances	0.81	1.36
Interest on income tax refund	-	1.22
	<u>31.46</u>	<u>40.39</u>
(ii) Dividend income		
From long-term investments		
Subsidiaries	-	-
Associates	-	-
Others	1.05	0.91
	<u>1.05</u>	<u>0.91</u>

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

(₹ in lakhs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
(iii) Adjustments to carrying amount of investments (net)		
From long-term investments provision withdrawn	5.87	-
	<u>5.87</u>	<u>-</u>
(iv) Other non-operating income		
Rental income from investment properties	11.12	11.12
Profit on sale of fixed assets	0.06	8.88
Excess provision for Bonus/Gratuity written back	2.83	-
Bad debts recovery	6.14	1.11
Sundry Balances written back	26.25	1.97
Prior period items (net)	1.48	1.95
Other miscellaneous income	23.27	26.72
	<u>71.15</u>	<u>51.75</u>
NOTE 21 : COST OF MATERIALS CONSUMED		
Consumption of Raw materials :		
Opening stock - Raw materials	2,425.25	4,424.55
- Work-in-process	467.14	461.39
Add : Purchases	40,965.68	23,244.52
	<u>43,858.07</u>	<u>28,130.46</u>
Less : Closing stock - Raw materials	10,271.06	2,425.25
- Work-in-process	507.50	467.14
Cost of materials consumed	<u>33,079.51</u>	<u>25,238.07</u>
NOTE 22 : PURCHASE OF STOCK-IN-TRADE		
Cotton	-	46.44
Yarn	625.99	128.88
Fabrics	345.75	-
Garments	-	40.28
	<u>971.74</u>	<u>215.60</u>
NOTE 23 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
(a) Inventories at the end of the year:		
Finished goods	1,627.23	886.26
Stock-in-progress	45.98	66.90
Waste	64.66	104.66
	<u>1,737.87</u>	<u>1,057.82</u>

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

(₹ in lakhs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
(b) Inventories at the end of the year:		
Finished goods	886.26	1,356.27
Stock-in-progress	66.90	252.91
Waste	104.66	302.92
	<u>1,057.82</u>	<u>1,912.10</u>
Net (increase)/decrease in stock (b) - (a)	<u>(680.05)</u>	<u>854.28</u>
NOTE 24 : EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and wages (Refer note (i) below)	1,774.80	1,043.76
(b) Contribution to provident and other funds (Refer note (ii) below)	118.88	117.07
(c) Staff welfare expenses (Refer note (iii) below)	210.03	226.13
	<u>2,103.71</u>	<u>1,386.96</u>
Notes :		
(i) Salaries and Wages		
Remuneration to Directors	273.10	39.23
Salaries, wages and allowances	1,388.35	947.14
Bonus and ex-gratia	113.35	57.39
	<u>1,774.80</u>	<u>1,043.76</u>
(ii) Contribution to provident and other funds		
Contribution to provident fund	35.92	21.39
EDLI & PF administration charges	6.36	7.50
Contribution to family pension fund	34.00	31.98
Contribution to gratuity	42.60	56.20
	<u>118.88</u>	<u>117.07</u>
(iii) Staff welfare expenses		
Employees state insurance contribution	13.40	10.86
Staff recruitment and training expenses	30.33	22.00
Welfare expenses	166.30	193.27
	<u>210.03</u>	<u>226.13</u>

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

(₹ in lakhs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
NOTE 25 : FINANCE COSTS		
(a) Interest expenses (Refer note (i) below)	1,979.96	2,516.29
(b) Other borrowing costs (Refer note (ii) below)	244.20	161.06
(c) Net (gain)/Loss on foreign currency transactions (FCNRB loans)	124.38	-
	2,348.54	2,677.35
Notes :		
(i) Interest expenses on :		
Cash credit from banks	322.16	616.88
Term loan from banks	1,656.28	1,883.72
Public deposits	-	0.43
Finance Charges on finance lease	1.52	1.47
Other interest	-	13.79
	1,979.96	2,516.29
(ii) Other borrowing costs :		
Commitment charges	72.78	21.72
Bank charges	171.42	139.34
	244.20	161.06
NOTE 26 : DEPRECIATION AND AMORTISATION EXPENSES		
(a) Depreciation and amortisation on tangible assets	1,995.04	1,908.62
(b) Depreciation and amortisation on intangible assets	13.70	8.35
	2,008.74	1,916.97
NOTE 27 : OTHER EXPENSES		
(a) Manufacturing expenses (Refer note (i) below)	4,192.05	4,233.99
(b) Administrative expenses (Refer note (ii) below)	805.25	555.75
(c) Repairs and maintenance (Refer note (iii) below)	1,557.96	1,191.60
(d) Selling and distribution expenses (Refer note (iv) below)	1,011.54	925.12
(e) Miscellaneous expenses (Refer note (v) below)	164.29	162.25
	7,731.09	7,068.71

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

(₹ in lakhs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Notes: (i) Manufacturing expenses:		
Power and fuel	4,214.93	4,511.98
Less: Captive consumption	2,214.08	2,336.70
	<u>2,000.85</u>	<u>2,175.28</u>
Consumption of chemicals, stores and packing materials	1,371.35	740.34
TANGEDCO Charges	208.22	389.55
Processing charges paid	611.63	928.82
	<u>4,192.05</u>	<u>4,233.99</u>
(ii) Administrative expenses :		
Rent	120.47	20.42
Insurance	129.63	151.36
Rates and taxes	108.74	97.91
Directors' sitting fee	1.75	1.65
Donations	12.54	10.08
Payments to auditors	10.33	8.60
Legal and professional charges	61.72	75.57
Postage and telephone	74.30	50.97
Travelling and conveyance	153.14	115.13
Printing and stationery	43.79	23.85
Bad trade receivables and advances written off	72.00	0.21
Sundry balances written off	16.84	-
	<u>805.25</u>	<u>555.75</u>
(iii) Repairs and maintenance :		
- Buildings	151.87	125.44
- Machinery	1,011.43	762.96
- Electrical	113.78	72.76
- Vehicles	37.73	23.77
- Windmills	155.73	132.30
- Others	87.42	74.37
	<u>1,557.96</u>	<u>1,191.60</u>

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

(₹ in lakhs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
(iv) Selling and distribution expenses :		
Advertisement expenses	15.49	12.94
Freight and Transport on Sales	323.03	296.83
Commission and brokerage	423.46	415.65
Discount on sales	233.82	191.64
Business promotion expenses	15.74	8.06
	1,011.54	925.12
(v) Miscellaneous expenses :		
Loss on fixed assets sold / scrapped / written off	12.09	-
Loss on Sale of Certificates	2.58	-
Provision for doubtful debts / advances	26.18	26.06
Adjustments to carrying amount of investments (net) (Refer note below)	-	6.30
Accrued income - Shortfall written off	-	66.16
Electricity and lighting expenses	56.49	18.37
Subscription, membership and periodicals	11.07	9.60
Listing fee	2.32	2.81
Filing and registration fees	2.45	4.14
General expenses	51.11	28.81
	164.29	162.25
Notes :		
Adjustments to carrying amount of investments (net) From long-term investments	-	6.30
	-	6.30
NOTE 28 : EXCEPTIONAL ITEMS		
(a) Income :		
Profit on sale of Investments	-	475.20
	-	475.20
(b) Expenses :		
	-	-
Net income/(expenses) (a) - (b)	-	475.20

(₹ in lakhs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
-------------	--------------------------	--------------------------

NOTE 29 : CURRENT TAX

(a) Current tax expense for current year:

(A) Regular tax	-	-
(B) Book Profit tax	637.65	655.03
Less : MAT credit entitlement	631.89	637.63
	<u>5.76</u>	<u>17.40</u>
Current tax expense for the year (higher of A or B)	5.76	17.40
(b) Current tax expense relating to prior years	-	(0.13)
	<u>5.76</u>	<u>17.27</u>

NOTE 30 : DEFERRED TAX

(a) Provision for Deferred Tax Liability (Dr)	-	8.16
(b) Reversal of Deferred Tax Liability (Cr)	(54.49)	-
(c) Provision for Deferred Tax Asset (Cr)	-	-
(d) Reversal of Deferred Tax Asset (Dr)	957.88	900.81
	<u>903.39</u>	<u>908.97</u>

**ADDITIONAL NOTES ATTACHED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014****NOTE - 31 : OTHER NOTES TO FINANCIAL STATEMENTS**

(₹ in lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
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	1.05
(iii) Disputed central sales tax demand in respect of which interim stay granted by Hon'ble High Court of Madras	16.02	16.02
(iv) Disputed TNVAT demand in respect of which interim stay granted by Hon'ble High Court of Madras	404.13	-
B Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	157.06	143.75
(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	3,704.81	3,526.44
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	259.25-
Number of shares	21,604,521	21,604,521
Amount of dividend per share	1.20	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 31.03.2014	Year ended 31.03.2013
II ADDITIONAL NOTES TO STATEMENT OF PROFIT AND LOSS		
1 Payments to auditors		
Independent audit :		
(a) As auditors - Statutory audit	4.49	4.16
(b) For Taxation matters	2.53	1.50
(c) For company law matters	-	-
(d) For management services	-	-
(e) For other services	3.31	2.94
	<u>10.33</u>	<u>8.60</u>
2 Prior period items:		
(a) Income	1.48	1.95
(b) Expenses	-	-
Net of prior period itmes (a) - (b)	<u>1.48</u>	<u>1.95</u>
3 Disclosure for raw materials, purchased goods and finished goods under broad heads		
Sale of products		
(a) Manufactured goods:		
Yarn	37,392.13	28,417.64
Knitted Fabric	4,567.04	7,367.35
Garments	125.74	715.80
Technical Textile Products	3,457.47	1,557.68
Cotton Waste	2,777.88	2,714.78
Wind energy	72.25	127.62
Total	<u>48,392.51</u>	<u>40,900.87</u>
(b) Traded goods:		
Raw Materials - Cotton	209.76	93.11
Purchased Yarn	641.83	95.61
Purchased Garments	-	49.73
Total	<u>851.59</u>	<u>238.45</u>
Total sale of products (a)+(b)	<u>49,244.10</u>	<u>41,139.32</u>



Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Raw materials consumption		
(a) Cotton	31,463.28	24,196.68
(b) Others	1,616.23	1,041.39
Total	33,079.51	25,238.07
Purchase of traded goods		
(a) Cotton	-	46.44
(b) Yarn	625.99	128.89
(c) Fabrics	345.75	-
(d) Garments	-	40.27
Total	971.74	215.60
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	(₹) 30,464.05	22,454.36
	(%) 92.09	88.97
Imported	(₹) 2,615.46	2,783.71
	(%) 7.91	11.03
Total	33,079.51	25,238.07
Stores and spares		
Indigenous	(₹) 2,018.64	901.07
	(%) 88.21	86.52
Imported	(₹) 269.80	140.33
	(%) 11.79	13.48
Total	2,288.44	1,041.40
5. Value of imports calculated on CIF basis by the company during the financial year in respect of		
(i) Raw materials	2,218.81	3,136.25
(ii) Components and spare parts	245.78	164.36
(iii) Capital goods	311.99	738.85
6. Expenditure in foreign currency incurred during the financial year on account of:		
Royalty, know-how, professional and consultation fees	-	5.06
Interest and dividend	-	-
Traveling, training and others	111.12	96.72

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 31.03.2014	Year ended 31.03.2013
(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	13,128.72	9,506.00
(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	0.28
10. Rates and taxes include wealth tax	0.34	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	35.92	21.39
(ii) Contribution to family pension fund	34.00	31.98
(iii) Contribution to employees state insurance scheme	13.40	10.86



Particulars	Year ended 31.03.2014	Year ended 31.03.2013
b) Defined benefit plan : Gratuity		
A. Changes in Present Value of Obligation		
PV of Obligation as at the beginning of the year	188.49	158.42
Current Service Cost	15.49	12.64
Interest cost	15.14	13.60
Acturial (gain)/Loss on Obligation	(23.79)	3.83
PV of Obligation as at the end the year	195.33	188.49
B. Change in Assets during the year ended 31st March		
FV of Plan Assets as at the beginning of the year	154.34	152.51
Expected return on Plan Assets	15.14	13.60
Settlement Claims-Credit	(9.72)	(11.77)
Contributions by the employer	72.29	-
Charges deducted	(0.10)	-
FV of Plan Assets as at the end of the year	231.96	154.34
C. Net Asset/(Liability) Recognized in the Balance Sheet		
PV of Obligation as at the end the year	195.33	188.49
FV of Plan Assets Obligation as at the end the year	231.96	154.34
Funded Status [Surplus/(Deficit)]	36.63	(34.15)
D. Expenses recognized during the period ended 31st March		
Current Service Cost	15.49	12.64
Interest Cost	15.14	13.60
Expected return on Plan Assets	(21.32)	(14.26)
Actuarial (gains)/Losses	31.98	43.95
Net Amount recognised in Statement of profit and loss	41.30	55.93
E. Categories of Plan assets as a percentage 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%

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
- Unit-II	6.50%	6.50%
Rate of return on plan assets (Per Annum)		
- Unit-I	9.25%	9.25%
- Unit-II	9.00%	9.00%
Expected average remaining working lives of employees (Years)		
- Unit-I	33.48	33.40
- Unit-II	34.94	35.45

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

3) AS 17 - Segment reporting

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

4) AS 18 - Related party disclosures

A. Related parties

(i) Holding and Subsidiary Companies : Nil

(ii) Associates :

Anamallais Agencies Private Ltd
Anamallais Automobiles Private 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 31.03.2014	Year ended 31.03.2013
B. Nature and amount of related party transactions and balances outstanding :		
Associates		
Purchase of Materials	1,041.26	398.54
Sale of materials	697.74	834.55
Purchase of Capital Goods	-	-
Sale of Capital Goods	-	-
Processing Charges Paid	420.66	459.54
Processing Charges Received	177.70	214.27
Lease Rent Paid	80.12	6.44
Lease Rent Received	72.00	-
Key management personnel		
Remuneration	280.30	45.37
Relatives of key management personnel		
Remuneration	11.55	5.40
Amount outstanding at the year end:		
Associates		
Receivables	18.35	179.57
Payables	519.29	307.12
Key management personnel		
Receivables	-	-
Payables	-	26.47
Relatives of key management personnel		
Receivables	-	-
Payables	125.00	125.00
Amount written off during the year	NIL	NIL

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
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	2,086.27	2,229.21
Weighted average number of shares	21,604,521	21,604,521
Basic and Diluted earnings per share (₹)	9.66	10.32
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	4,096.21	4,150.70
Related to others	-	-
	<u>4,096.21</u>	<u>4,150.70</u>
B. Deferred tax asset :		
Related to provisions	26.33	20.05
Related to disallowance	28.82	27.33
Related to unabsorbed business loss/depreciation allowance	-	965.65
	<u>55.15</u>	<u>1,013.03</u>
Net deferred tax liability as at close of the year	4,041.06	3,137.67
Net deferred tax liability as at beginning of the year	3,137.67	2,228.70
Net increase/(decrease) in deferred tax liability	<u>903.39</u>	<u>908.97</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, 2014 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 31.03.2014	As at 31.03.2013
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 2011-12; disputed income tax demand pending in appeal before the first Appellate authority ₹1.05 lakhs
 - (b) The wealth tax assessments have been completed upto the assessment year 2011-12; No further liability is 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

Coimbatore

21st May 2014

For and on behalf of the Board

S V ALAGAPPAN

Chairman and Managing Director

S V ARUMUGAM

Director

S K SUNDARARAMAN

Executive Director

M SHYAMALA

Company Secretary



Financial Performance - Year Wise

(₹ in lakhs)

Financial Year	Equity Share Capital	Reserves & Surplus	Turnover*	Profit before Depreciation	Depreciation	Profit before Tax	Dividend on Equity Shares (%)
2000-2001 (18 months)	2160.45	6869.35	10932.18	1917.95	1526.88	391.07	9
2001-2003 (15 months)	2160.45	6044.31	10594.30	1313.28	1040.98	272.3	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	41051.00	5072.42	1916.97	3155.45	12
2013-2014	2160.45	12304.74	49244.10	5004.16	2008.74	2995.42	12

* Turnover = Net Sales + Closing Stock – Opening Stock



SHIVA TEXTYARN LIMITED

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043

CIN : L65921TZ1980PLC000945

ATTENDANCE SLIP

DP ID Number		Name and Address of the registered Shareholder
Client ID/Regd. Folio No.		
No. of Shares held		

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the Thirty Third Annual General Meeting held on Monday the 25th August, 2014 at 10.15 a.m. at Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickeripalayam, Coimbatore - 641037.

Note : Please complete this and hand it over at the entrance of the hall.

Member's / Proxy's Signature

Form No. MGT - 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L65921TZ1980PLC000945
Name of the Company	SHIVA TEXTYARN LIMITED
Registered Office	252, Mettupalayam Road, Coimbatore - 641 043
Name of the shareholder	
Registered address	
E-mail ID	
Folio No. / Client ID	
DP ID	

I/We, being the share holder (s) of shares of the above named company, hereby appoint

1	Name		Signature	
	Address			
	E-mail ID			
	or failing him			
2	Name		Signature	
	Address			
	E-mail ID			
	or failing him			
3	Name		Signature	
	Address			
	E-mail ID			
	or failing him			

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Monday the 25th August, 2014 at 10.15 am at "Nani Kalai Arangam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore-641037 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1.	2.	3.	4.
----	----	----	----

Signed this day of 2014.

Signature of shareholder :

Signature of Proxy holder(s) :

Affix
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.





SHIVA TEXTYARN LIMITED

Regd. Office. 252, Mettupalayam Road, Coimbatore 641043

Phone: 0422- 2435555, Fax: 0422- 4383325

Website: www.shivatex.co.in, e-mail: shares@shivatex.co.in

CIN : L65921TZ1980PLC000945

POSTAL BALLOT FORM (in lieu of E-voting)

Sr. No. _____

Name and Registered Address of the Sole/First named Member :

Names of the Joint Member(s), if any :

Registered Folio No. / DP ID No. / Client ID No. :

No. of shares held :

E-Voting Sequence Number (EVSN) :

I/We hereby exercise my/our vote(s) in respect of the following Resolutions to be passed through Postal Ballot/e-voting as set out in the Notice dated May 21, 2014 of the Company by conveying sending my/our assent (for) or dissent (against) the said Resolutions by placing the tick mark (✓) at the appropriate box below:

Item No.	Description	Type of Resolution (Ordinary/Special)	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Adoption of the audited Balance Sheet and Profit & Loss Account for the year ended March 31, 2014 and the reports of the Board of Directors and Auditors thereon	Ordinary			
2	Declaration of Dividend on equity shares	Ordinary			
3	Appointment of Auditors and fixing of their remuneration	Ordinary			
4	The provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for Appointment of Independent Director, Sri K N V Ramani	Ordinary			
5	The provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for Appointment of Independent Director, Sri Dr K R Thillainathan	Ordinary			
6	The provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for Appointment of Independent Director, Sri C S K Prabhu	Ordinary			
7	The provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for Appointment of Independent Director, Sri S Palaniswami	Ordinary			
8	The provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for Appointment of Independent Director, Sri S Marusamy	Ordinary			
9	Limits of Borrowing u/s 180(1)(c) of the Companies Act, 2013	Special			
10	Providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company	Special			
11	Section 188 (1) (f) of the Companies Act, 2013, for increase in Remuneration payable to Smt A Lalitha	Special			

Place :

Date :

Signature of the Member

Notes : (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.

(ii) Last date for receipt of Postal Ballot Form: 22.08.2014

Please read the instructions printed overleaf carefully before exercising your vote.



INSTRUCTIONS

1. General Instructions:

- a. There will be one Postal Ballot Form/e-voting for every Client ID No. / Folio No., irrespective of the number of joint holders.
- b. Members have option to vote either through Postal Ballot Form or through e-voting. If a member has opted for Physical Postal Ballot, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical postal ballot and e-voting, then vote cast through e-voting shall prevail and vote cast through Physical Postal Ballot shall be considered as invalid.
- c. Voting in the Postal ballot/e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below.
- d. Any query in relation to the Resolutions proposed to be passed by Postal Ballot may be addressed to Mrs M Shyamala, Company Secretary, at the Registered Office of the Company.
- e. The Scrutinizer's decision on the validity of a Postal Ballot/E-voting shall be final and binding.

2. Instructions for voting physically by Postal Ballot Form:

- a. A member desirous of exercising his/her Vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer, Mr R Dhanasekaran, Practicing Company Secretary (CP No.7745), C/o. M/s. S.K.D.C. CONSULTANTS LTD Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
- b. This Form must be completed and signed by the Member, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
- c. In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- d. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on 11th July, 2014.
- e. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Postal Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- f. Members are requested to fill the Postal Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- g. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (17:00 hrs.) on 22nd August, 2014. All Postal Ballot Forms received after this date will be strictly treated as if no reply has been received from the Member.
- h. A Member may request the Company for a duplicate Postal Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No. 2(g) above.
- i. Members are requested not to send any other paper along with the Postal Ballot Form. They are also requested not to write anything in the Postal Ballot Form except giving their assent or dissent and putting their signature. If any such other paper is sent, the same will be destroyed by the Scrutinizer.
- j. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected.
- k. The results would be displayed on the Company's website www.shivatex.co.in, besides communicating to the Stock Exchanges where the Company's shares are listed.

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

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

Processing Unit

SIPCOT Industrial Growth Centre
Perundurai, Erode District

WIND MILLS

Mundavelampatti Village
Erode District
Tamil Nadu

Gudimangalam
Athukinathupatti and
Uthukuli Villages
Coimbatore District
Tamil Nadu

Sanganeri
Tirunelveli District
Tamil Nadu



SHIVA TEXYARN LIMITED

Regd. Office : 252, Mettupalayam Road,
Coimbatore - 641 043, Tamil Nadu, India.

Ph : 91-422-2435555, Fax : 91-422-2430233

E-mail : shares@shivatex.co.in Website : www.shivatex.co.in

CIN : L65921TZ1980PLC000945