







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

BSE LIMITED
FLOOR 25
PHIROZE JEEJEEBHOY TOWERS
DALAL STREET,
MUMBAI - 400 001

FORM A

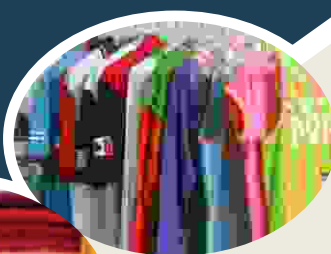
1.	Name of the Company	Shiva Texyarn Limited
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	<ul style="list-style-type: none">CEO/Managing Director	 S V ALAGAPPAN Chairman & Managing Director
	<ul style="list-style-type: none">CFO	 S SESHADRI Chief Financial Officer
	<ul style="list-style-type: none">Auditor of the Company	 Partner, V K S Aiyer & Co
	<ul style="list-style-type: none">Audit Committee Chairman	 K N V RAMANI Director



34th

Annual Report

2015



SHIVA TEXYARN LIMITED

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BOARD OF DIRECTORS

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

AUDITORS

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

INTERNAL AUDITORS

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

COST AUDITOR

Sri M Nagarajan
Cost 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

CHIEF FINANCIAL OFFICER

Sri S Seshadri

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
Karur Vysya Bank
Kotak Mahindra 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 34th Annual General Meeting of the Members of the Company will be held at Nani Kalaiarangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641037 on Monday, the 28th day of September 2015 at 10.15 A.M. to transact the business set out in the agenda given below:

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

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015, the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Sri S V Alagappan, (DIN 00002450) who retires by rotation and being eligible, offers himself for re-appointment.
4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :**

RESOLVED that pursuant to Section 139, 142 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, and pursuant to the resolution passed by the members at the Annual General Meeting held on 25th August, 2014, the appointment of the auditors of the Company viz., M/s V K S Aiyer & Co., Chartered Accountants, Coimbatore (Firm Registration No.000066S), to hold office from the conclusion of this 34th Annual General Meeting and untill the conclusion of 35th Annual General Meeting be and is hereby ratified and that the Board of Directors be and are hereby authorised to fix their remuneration for the Financial Year 2015-16, on the recommendation of Audit Committee.

SPECIAL BUSINESS

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

RESOLVED that Smt A Lalitha, (DIN 00003688) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f 1.9.2014 to hold office up to the date of this 34th Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation pursuant to Sections 149, 152 and 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) and Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

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

RESOLVED that pursuant to Sections 196, 197, 198, 199 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013, the approval of the shareholders be and is hereby accorded for

appointment and payment of remuneration to Sri S V Alagappan, as Managing Director (DIN 00002450) of the Company for a further period of 5 years w.e.f 27.6.2015 and that Sri S V Alagappan, Managing Director, (DIN 00002450) be paid the following remuneration as recommended by the Nomination and Remuneration Committee :

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

- a. **SALARY** : ₹ 3,00,000/- (Rupees Three Lakhs only) per month;
- b. **PERQUISITES** : As may be decided by the Board of Directors, of an amount not exceeding annual Salary ;
- c. **COMMISSION** : Balance of overall remuneration remaining after payment of the above Salary and Perquisites at the end of each Financial Year.

2. PERQUISITES NOT INCLUDED IN THE ABOVE REMUNERATION

- I) Contribution to Provident Fund as per rules of the Company, to the extent the same is not taxable under the Income Tax Act, 1961.
- II) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- III) Encashment of leave as per rules of the Company.

MINIMUM REMUNERATION:

In the absence or inadequacy of profits in any financial year, the remuneration to Sri S V Alagappan, Managing Director (DIN 00002450) shall be governed by the limits prescribed under Section II of the Part II of Schedule V of the Companies Act, 2013. It is further provided that this provision relating to payment of Minimum remuneration is limited to the first three years of appointment of Managing Director.

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

RESOLVED that pursuant to Section 196, 197, 198 & 199 read with Schedule V and any other applicable provisions of the Companies Act, 2013, the approval of the shareholders be and is hereby accorded for increase in remuneration payable to Sri S K Sundararaman, Executive Director (DIN 00002691) of the Company, w.e.f. 1.6.2015 for remaining period of his tenure upto 12.8.2017 in the following manner as recommended by the Nomination and Remuneration Committee:

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

- a. **SALARY** : ₹ 3,00,000/- (Rupees Three Lakhs only) per month;
- b. **PERQUISITES** : As may be decided by the Board of Directors, of an amount not exceeding annual Salary



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

2. PERQUISITES NOT INCLUDED IN THE ABOVE REMUNERATION :

- I) Contribution to Provident Fund as per rules of the Company, to the extent the same is not taxable under the Income Tax Act, 1961.
- II) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- III) Encashment of leave as per rules of the Company.

MINIMUM REMUNERATION :

In the absence or inadequacy of profits in any financial year, the remuneration to Sri S K Sundararaman, Executive Director (DIN 00002691) shall be governed by the limits prescribed under Section II of the Part II of Schedule V of the Companies Act, 2013.

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 Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of Audit Committee the remuneration of ₹ 1,00,000 (Rupees One Lakh only) (besides reimbursement of out of pocket expenses incurred by him for the purpose of Audit) payable to Sri M Nagarajan, Cost Accountant (Firm Registration No. 102133), as approved by the Board of Directors for conducting the audit of the Cost Records of the Company for the Financial Year ending 31st March 2016, be and is hereby ratified and confirmed.

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

- A. in Article 99. a) of the Articles of Association of the Company the following words be deleted:

The Managing Director(s) and whole time Director(s) shall not be liable to retire by rotation so long as they hold the office as they hold the office as such and

- B. Article 104. of the Articles of Association of the Company be deleted.

Coimbatore
30th May, 2015

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote at the meeting.
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Businesses in respect of items 5 to 9 of the Agenda are annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 22.9.2015 to 28.9.2015 (both the days are 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 28.9.2015. 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 21.9.2015.
6. The dividend remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund established under Section 205C of the Companies Act, 1956 on the respective due dates; upon such transfer, no claim shall be 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, and Clause 35B of the Listing Agreement, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting. Please note that the voting through electronic means is optional for the members.
9. The voting through electronic means will commence on 25.9.2015 at 10:00 a.m and end on 27.9.2015 at 5:00 p.m. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter.
10. The Company has appointed Mr R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the voting process in a fair and transparent manner.
- 11. The instructions for shareholders voting electronically are as under:**
 - i) The voting period begins on 25.9.2015 at 10.00 a.m. and ends on 27.9.2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21.9.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



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

	For Members holding shares in Demat Form and Physical Form
PAN	<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 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to

mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant SHIVA 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.
- xviii) Note for Non - Individual Shareholders and Custodians
 - ❖ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ❖ After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - ❖ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ❖ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.



12. Kindly note that members can opt for only one mode of voting i.e., either by voting at the venue or through remote e-voting. The Members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote thro remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the venue.
13. In support of the "Green Initiative" announced by the Government of India, electronic copy of the Annual Report and Notice inter alia indicating the process and manner of e-voting along with attendance slip and proxy form are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the Company / Depository Participants unless member has requested for a hard copy of the same.

Coimbatore
30th May, 2015

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 5

Smt A Lalitha, was appointed, by the Board of Directors as an Additional Director of the company at their meeting held on 14.8.2014 with effect from 1.9.2014.

She is also Executive Director of Shiva Automobiles Private Limited. Smt A Lalitha, a Commerce Graduate was actively involved with Garment Division of the Company as an Executive with effect from 2.11.2009 and her terms of appointment as such were approved at the 29th Annual General Meeting held on 20.9.2010 U/S 314(1)(b) of the Companies Act, 1956 and again at the 33rd Annual General Meeting held on 25.8.2014

Smt A Lalitha was appointed by the Board of Directors as Woman Director of the Company with effect from 1.9.2014 under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Smt A Lalitha holds her office upto the date of ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013, and is eligible for re-appointment as a Director. The Company has received a notice under Section 160 of the Companies Act, 2013, from herself proposing candidature for being appointed as Woman Director together with the requisite deposit.

The Board considers that her continued association would be beneficial to the Company and it is desirable to continue to avail services of Smt A Lalitha as a Woman Director. Accordingly, the Board recommends the resolution in relation to appointment of Smt A Lalitha as a Director, for the approval by the shareholders of the Company.

Necessary resolutions are placed before the members for their approval.

Except Smt A Lalitha, being an appointee and 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.

ITEM 6

The term of office of Sri S V Alagappan, Managing Director of the Company expires on 26.6.2015. He is associated with the Textile Industry about 30 years. Under his leadership, the Company has grown from strength to strength and has achieved the status of one of the most quality driven Companies in Textile Industry. Considering the increase in the volume of business, duties and responsibilities, the Board of Directors have proposed to re-appoint him and to fix the remuneration payable to Sri S V Alagappan, Managing Director, with effect from 27.6.2015 for further period of 5 years. He is aged 72. The Board of Directors are of the opinion that, despite his age, his continued guidance and direction are important for sustaining the development of the company. The aforesaid re-appointment and payment of remuneration were recommended by the Remuneration Committee at its meeting held on 16.3.2015.

The remuneration proposed is within the limits prescribed in Schedule V of the Companies Act, 2013. It is further provided that the minimum remuneration is limited to a period of first three years of appointment of Managing Director. Further information about the appointee as required to be furnished under Clause 49 of the Listing Agreement with the Stock Exchanges is also annexed.

A copy of memorandum setting the terms and conditions of appointment of Managing Director is available at the Registered Office of the Company during business hours for inspection of members.

Necessary Special Resolutions are placed before the members for their approval.

Except Sri S V Alagappan, the appointee, Sri S V Arumugam and Smt A Lalitha, as relatives, none of the Directors and Key Managerial Personnel of the Company and their relative is concerned or interested.



ITEM 7

Sri S K Sundararaman, Executive Director of the Company is associated with the Textile Industry for about 14 years, and holding MBA Degree from Cambridge University, United Kingdom, has wide experience in the field of Textile Technology. Considering his involvement with Development of new technical textile products, duties and responsibilities discharged by him, the Board of Directors have proposed to increase the remuneration payable to Sri S K Sundararaman, Executive Director, as stated in the Notice of Annual General Meeting with effect from 30.5.2015 for the remaining period of his tenure up to 12.8.2017. The aforesaid payment of enhanced remuneration was recommended by the Remuneration Committee at its meeting held on 16.3.2015.

The remuneration proposed is within the limits prescribed in Schedule V of the Companies Act, 2013. Further information about the appointee as required to be furnished under Clause 49 of the Listing Agreement with the Stock Exchanges is also annexed.

A copy of memorandum setting the terms and conditions of appointment of Executive Director is available at the Registered Office of the Company during business hours for inspection of members.

Necessary Special resolutions are placed before the members for their approval.

Except Sri S K Sundararaman, Executive Director, none of the Directors and Key Managerial Personnel of the Company and their relatives, is concerned or interested.

ITEM 8

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of Sri M Nagarajan, Cost Accountants to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2016.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31st March 2016, as set out in the resolution.

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

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

ITEM 9

It is proposed to alter the existing Article nos. 99.a) and 104 of the Articles of Association of the Company, relating to reappointment of Director by rotation with the consent of the shareholders by way of a Special Resolution, to facilitate the compliance of the provisions of the Companies Act, 2013.

A draft copy of the Articles of Association is available for inspection of the members during business hours at Registered Office of the Company.

Necessary Special resolutions is placed before the members for their approval.

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

Coimbatore
30th May, 2015

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

ANNEXURE TO THE NOTICE

RE-APPOINTMENT OF DIRECTORS

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

I.	1.	Name	:	Smt A Lalitha
	2.	Age	:	45 Years
	3.	Qualification	:	B.Com.,
	4.	Date of Appointment	:	1.9.2014
	5.	Experience	:	She has more than 5 years of experience in Industry/business.
	6.	Other Directorships	:	Shiva Mills Limited Anamallais Cars Private Limited Annamallai Retreading Company (P) Ltd Bannari Amman Automobiles (P) Ltd Shiva Automobiles Private Limited Vadivelan Enterprises Private Limited
	7.	Member of Committee	:	Nil
	8.	Member of Committee in other Public Limited Companies	:	Nil
	9.	Number of Shares held in the Company:		1350
		None of the Directors or Key Managerial Personnel are their relatives, excepting Sri S V Alagappan, is related to Smt A Lalitha, the appointee.		
II.	1.	Name	:	Sri S V Alagappan
	2.	Age	:	73 years
	3.	Qualification	:	B.Com., B.L.
	4.	Date of Appointment	:	27.6.2005
	5.	Experience	:	He has more than 30 years of experience in Textile Industry
	6.	Other Directorships	:	Shiva Mills Limited Anamallais Agencies Private Limited Anamallais Cars Private Limited



		<p>Annamallai Retreading Company (P) Limited</p> <p>Bannari Amman Automobiles (P) Limited</p> <p>Shiva Automobiles Private Limited</p> <p>Vadivelan Enterprises Private Limited</p> <p>7. Member of Committee : Nil</p> <p>8. Member of Committee in other Public Limited Companies : Nil</p> <p>9. Number of Shares held in the Company : 54450</p> <p>None of the Directors or Key Managerial Personnel are their relatives, excepting Smt A Lalitha, is related to Sri S V Alagappan, the appointee.</p>
III.	<p>1. Name : Sri S K Sundararaman</p> <p>2. Age : 42 years</p> <p>3. Qualification : M B A</p> <p>4. Date of Appointment : 15.5.2006</p> <p>5. Experience : He has more than 16 years of experience in Textile/Business</p> <p>6. Other Directorships : S K S Agencies Limited</p> <p>Vedanayagam Hospital Limited</p> <p>Abirami Ecoplast Private Limited</p> <p>Sundar Ram Enterprise Private Limited</p> <p>L K Distributors Private Limited</p> <p>Abirami Distributors Private Limited</p> <p>Indian Technical Textile Association</p> <p>7. Member of Committee : Audit Committee - Member</p> <p>8. Member of Committee in other Public Limited Companies : Nil</p> <p>9. Number of Shares held in the Company : 900</p> <p>None of the Directors or Key Managerial Personnel are their relatives, is related to Sri S K Sundararaman, the appointee.</p>	

Coimbatore
30th May, 2015

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

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty fourth Annual Report together with Audited Financial Statements of the Company for the year ended 31st March, 2015

FINANCIAL RESULTS

	Financial Year (₹ in lakhs)	
	2014-2015	2013-2014
Profit before Interest and Depreciation	5506.15	7352.70
Less: Interest	2546.92	2348.54
Profit before Depreciation	2959.23	5004.16
Less: Depreciation	1687.01	2008.74
Profit before Tax	1272.22	2995.42
Less : Provision for Income Tax		
- Current Tax	165.54	5.76
- Deferred tax Liability (Net)	217.32	903.39
Profit after Tax	889.36	2086.27
Add : Surplus brought forward from last year	444.24	161.29
Amount available for appropriation	1333.60	2247.56
Appropriations :		
Provision for Equity Dividend	216.05	259.25
Provision for Tax on Dividend	45.21	44.06
Transfer to General Reserve	750.00	1500.00
Surplus carried over to Balance Sheet	322.34	444.25
Total	1333.60	2247.56

Dividend

Your Directors are glad to recommend payment of Dividend @ Re. 1.00 /- per equity share of ₹ 10/- each (at 10% of the paidup capital). (Last year ₹ 1.20 per share of ₹ 10/- each). The Dividend on Equity Shares together with Distribution Tax on Corporate Dividend will absorb ₹ 261.26 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 18756.53 tonnes (18858.80 tonnes) of yarn, of which 2382.88 tonnes (834.40 tonnes) was used to produce knitted fabrics. The textile spinning units, in aggregate sold 16123.67 tonnes (17853.59 tonnes) of yarn and 2369.50 tonnes (846.04 tonnes) as knitted fabrics. Further, during the year under review, the Company sold 5362.98 tonnes (5532.43 tonnes) of waste cotton, of which exports accounted for 1005.15 tonnes (973.40 tonnes).

The Wind Mills, with aggregate installed capacity of 28.795 MW generated 364.21 lakh units of Wind Electricity as against 417.99 lakh units in the last year. The entire power generation by Wind Mills was utilized for captive consumption at the textile mills. As in the previous year, generation from windmills was severely affected due to non-evacuation of Wind power by TANGEDCO during the current year also, resulting in loss of generation of about 56.56 lakh units (101.29 lakh units), depressing the revenue and profits by about ₹ 359.15 lakhs (₹ 557.07 lakhs).

Your Directors report that the financial performance of the Spinning Units during the year were affected by volatility in prices of cotton and finished products. The prices of cotton witnessed a down trend from July' 2014 onwards, while the Yarn prices also reacted downward keeping pace with the current prices of cotton. Consequently the yarn and fabric produced by the spinning units out of high priced cotton was sold at reduced prices thereby impacting the Profitability which was felt in the second and third quarters of the financial year.

While the restriction and control measures of Tamil Nadu Generation and Distribution Company Limited (TANGEDCO) continued, TANGEDCO failed to evacuate the power generated by the windmills. In spite of the difficulties encountered as narrated above, the Company could achieve maximum utilization and productivity without curtailing the production in the Spinning Units.

The Company's initiatives on technical textile products such as coated and laminated fabrics, intended for use in the field of defence, medical and other industrial applications has started yielding results. The operations of the processing unit at SIPCOT, Perundurai established in the financial year 2012-13 is yet to stabilise.

The overall sales turnover of the Company from all divisions aggregated to ₹ 45745.71 Lakhs (₹ 49244.10 Lakhs) of which exports amounted to ₹ 9248.26 Lakhs (₹ 13536.27 Lakhs), the exports contributing 20.22% (27.49%) of the overall sales of the Company.

PROSPECTS FOR THE CURRENT YEAR

With domestic demand likely to pick up due to improvement in economic conditions, the prospects for the spinning units appear to be stable. 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 is likely to improve significantly in the coming years. The processing division is also likely to improve its contribution for earnings of the company, in the years ahead. As part of diversification, the Company has started a Bag unit for manufacture of branded travel and school bags, which has large growing demand.

EVENT SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting the financial position of the Company, subsequent to the end of the Financial Year.

PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

CORPORATE GOVERNANCE

In line with requirements of Clause 49 of the Listing Agreement your Company is committed to the principles of good Corporate Governance and continues to adhere good corporate governance practices consistently.

A separate section is given on Corporate Governance, Management Discussion and Analysis alongwith a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on Financial Year ended on 31st March, 2015 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 and forming part of the report in Form MGT - 9 is enclosed as **Annexure - I**.

DIRECTORS

Smt A Lalitha (DIN 00003688), was appointed as Additional Director (Woman Director) u/s 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with effect from 1.9.2014. She holds office upto the date of ensuing Annual General Meeting, being eligible, offers herself for re-appointment as Director.

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

The term of office of Sri S V Alagappan as Managing Director expires on 26.6.2015. The Board of Directors on the recommendation of Nomination and Remuneration Committee, have appointed him for a further period of 5 years and approved the remuneration payable to him. Such appointment and payment of remuneration are subject to approval of shareholders in the ensuing Annual General Meeting.

Board of Directors on the recommendation of Nomination and Remuneration Committee have proposed to increase the remuneration payable to Sri S K Sundararaman, Executive Director, as stated in the Notice of Annual General Meeting with effect from 30.5.2015 for remaining period of his tenure of office up to 12.8.2017, subject to approval of shareholders in the ensuing Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

KEY MANAGERIAL PERSONNEL

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

Sri S V Alagappan	Managing Director
Sri S Seshadri	Chief Financial Officer
Smt M Shyamala	Company Secretary



AUDIT COMMITTEE

The Audit Committee comprises of

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

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

EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their meeting without participation of non-independent directors and management considered and evaluated the Boards' performance, performance of the Chairman and Managing Director.

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

BOARD MEETINGS

During the year under review, four Board Meetings were conducted. The details of the same have been given in the Corporate Governance Report under Clause 49 of the Listing Agreement, forming part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

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

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

RELATED PARTY TRANSACTIONS

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

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) Your Directors have followed in the preparation of the annual accounts, the applicable Accounting Standards with proper explanation relating to material departures;
- b) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) Your Directors have prepared the annual accounts on a going concern basis;
- e) Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Your Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

The present Auditors of the Company M/s V K S Aiyer & Co., Chartered Accountants, Coimbatore, were appointed for a term of 3 years, pursuant to the resolution passed by the members at the Annual General Meeting held on 25th August, 2014. A resolution ratifying their appointment in terms of Section 139 is also placed before the shareholders for their approval at the ensuing Annual General Meeting.

SECRETARIAL AUDIT

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

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



COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014 as amended from time to time, the Board of Directors, on the recommendation of Audit Committee, has appointed Sri M Nagarajan, Cost Accountant, Coimbatore as Cost Auditor to conduct Cost Audit of the Company for the financial year 2015 - 2016.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

STATEMENT ON RISK MANAGEMENT POLICY

Pursuant to Section 134(3) (n) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The Committee has developed a Risk Management Policy and implemented the same. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards Report.

At present the Company has not identified any element of risk which may therat the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

- | | |
|------------------------|------------------------|
| 1. Sri SV Alagappan | - Managing Director |
| 2. Sri SK Sundararaman | - Executive Director |
| 3. Dr KR Thillainathan | - Independent Director |

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

STATUTORY DISCLOSURES

- I. **Conservation of Energy and others** - The particulars required to be included in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2015 relating to Conservation of Energy, etc., is enclosed as **Annexure IV**.
- II. **Remuneration of Directors and other details** - The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2015 is provided in **Annexure V**.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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

ACKNOWLEDGEMENT

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

Coimbatore
30th May, 2015

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

**ANNEXURE I****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2015**

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L65921TZ1980PLC000945
- ii) Registration Date : 28.5.1980
- iii) Name of the Company : Shiva Texyarn Limited
- iv) Category / Sub-Category of the Company : Company Limited by Shares/Indian Non- Government Company
- v) Address of the Registered office and contact details : 252, Mettupalayam Road, Coimbatore, Tamilnadu - 641 043. Ph : 0422 2435555
e-mail : shares@shivatex.co.in
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent : S K D C Consultants Limited
Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road
Ganapathy, Coimbatore, Tamilnadu-641006
Ph : 0422 - 6549995, 2539835-836
Fax : 0422 -2539837
E-mail : info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cotton Yarn	13111	74.24%
2	Grey Fabric	13911	11.56%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
	-	-	-	-	-

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

i) Category-wise Share Holding

S No	Category of shareholders	No. of shares held at the beginning of the year (As on 31-3-2014)				No. of shares held at the end of the year (As on 31-3-2015)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters									
1)	Indian									
	a) Individual/ HUF	597350	0	597350	2.76	597350	0	597350	2.76	0
	b) Central Govt.	0	0	0	0	0	0	0	0	0
	c) State Govt(s)	0	0	0	0	0	0	0	0	0
	d) Bodies Corp.	15592444	0	15592444	72.17	15592444	0	15592444	72.17	0
	e) Banks / FI	0	0	0	0	0	0	0	0	0
	f) Any other	0	0	0	0	0	0	0	0	0
	Sub -total (A) (1) :-	16189794	0	16189794	74.94	16189794	0	16189794	74.94	0
2)	Foreign									
	a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
	b) Other - Individuals	0	0	0	0	0	0	0	0	0
	c) Bodies Corp	0	0	0	0	0	0	0	0	0
	d) Banks/FI	0	0	0	0	0	0	0	0	0
	e) Any other	0	0	0	0	0	0	0	0	0
	Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
	Total shareholding of promoter (A) = (A)(1)+(A)(2)	16189794	0	16189794	74.94	16189794	0	16189794	74.94	0
B.	Public Shareholding									
1.	Institutions	0	0	0	0	0	0	0	0	0
	a) Mutual Funds	0	0	0	0	0	0	0	0	0
	b) Banks / FI	100	1100	1200	0.01	100	1100	1200	0.01	0
	c) Central Govt	0	0	0	0	0	0	0	0	0
	d) State Govt(s)	0	0	0	0	0	0	0	0	0
	e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	0	0	0	0	0	0	0	0	0
	g) FIs	0	0	0	0	0	0	0	0	0
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	I) Others (specify)	0	0	0	0	0	0	0	0	0
	Sub-total (B)(1):-	100	1100	1200	0.01	100	1100	1200	0.01	0
2.	Non-Institutions									
a)	Bodies Corp.	287875	8600	296475	1.37	251849	8400	260249	1.20	-0.17
	i) Indian	0	0	0	0	0	0	0	0	0
	ii) Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1979777	1101736	3081513	14.26	1999715	1074218	3073933	14.23	-0.03
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1842591	22150	1864741	8.63	1831285	22150	1853435	8.58	-0.05
	Non Resident Indians	25695	300	25995	0.12	40449	300	40749	0.19	0.07
	Director & Their relatives	2183	1400	3583	0.02	2783	1400	4183	0.02	0.00
	Clearing Members	15661	0	15661	0.07	40413	0	40413	0.19	0.12
	HUF	125559	0	125559	0.58	140565	0	140565	0.65	0.07
	Sub-total (B)(2):-	4279341	1134186	5413527	25.06	4307059	1106468	5413527	25.06	0
	Total Public Shareholding (B) = (B)(1)+ (B)(2)	4279441	1135286	5414727	25.06	4307159	1107568	5414727	25.06	0
c)	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	20469235	1135286	21604521	100	20496953	1107568	21604521	100	0

**ii) Shareholding of Promoter**

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

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

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

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

S No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Anil Kumar Goel	384100	1.78	374285	1.73
2	Sangeetha S	229122	1.06	229122	1.06
3	Shetty K.J.M	170142	0.79	170142	0.79

S No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Neha Jaswani	95040	0.44	0	0
5	Urjita J Master	87000	0.40	50000	0.23
6	D Srimathi	85870	0.40	0	0
7	Ninja Securities Private Limited	79670	0.36	34909	0.16
8	Kishan Gopal Mohta	61595	0.28	0	0
9	Turnkey Dealers Private Limited	53113	0.24	53113	0.24
10	Selvam.K.A	51015	0.24	51015	0.24
11	Ajaykumar Bhaskar Patil	50000	0.23	50000	0.23
12	Ashok Kumar Jain	0	0.00	187171	0.87
13	Alka Jain	0	0.00	51777	0.23
14	Dhiraj Bhavanji Nisar	18173	0.08	123890	0.57

v) Shareholding of Directors and Key Managerial Personnel:

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



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

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

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

S No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Dr K R Thillainathan, Director				
	At the beginning of the year	300	0.00	300	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	300	0.00	300	0.00
8	Sri S Palaniswami, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
9	Sri S Marusamy, Director				
	At the beginning of the year	3283	0.02	3883	0.02
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	3883	0.02	3883	0.02
10	Sri S Seshadri, Chief Financial Officer				
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	100	0.00	100	0.00



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

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

V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	25,097.17	125.00	-	25,222.17
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	151.24	-	-	151.24
Total (i+ii+iii)	25,248.41	125.00		25,373.41
Change in Indebtedness during the financial year				
* Addition	250.00	-	-	250.00
* Reduction	6,405.60	10.00	-	6,415.60
Net Change	(6,155.60)	(10.00)	-	(6165.60)
Indebtedness at the end of the financial year				
i) Principal Amount	18,999.53	115.00	-	19,114.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	93.28	-	-	93.28
Total (i+ii+iii)	19,092.81	115.00	-	19,207.81

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in ₹)

S No	Particulars of remuneration	Name of MD / WTD / Manager		Total Amount
		S V Alagappan Managing Director	S K Sundararaman Executive Director	
1	Gross salary	36,00,000	24,00,000	60,00,000
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,94,534	-	3,94,534
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	11,25,466	44,75,000	56,00,466
	- as % of profit			
	- others, specify...			
5	Others, please specify	0	0	0
	Total (A)	51,20,000	68,75,000	1,19,95,000
	Ceiling as per the Act	71,62,000	71,62,000	1,43,24,000

B. Remuneration to other directors (In ₹)

S No	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Sri K N V Ramani	Sri C S K Prabhu	Sri S Palaniswami	Dr K R Thillainathan	Smt S Marusamy	
	Fee for attending board committee meetings	45,000	45,000	40,000	25,000	25,000	1,80,000
	Commission	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	
	Total (1)	45,000	45,000	40,000	25,000	25,000	1,80,000
2	Other Non-Executive Directors	Sri S V Arumugam	Smt A Lalitha				
	Fee for attending Board committee meetings	20,000	-	-	-	-	20,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	26,50,000	-	-	-	26,50,000
	Total (2)	20,000	26,50,000	-	-	-	26,70,000
	Total (B)=(1+2)	65,000	26,95,000	40,000	25,000	25,000	28,50,000
	Total Managerial Remuneration	-	-	-	-	-	28,50,000
	Overall Ceiling as per the Act	Not Applicable					

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

₹ in lakhs

S No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	3.98	9.95	13.93
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	3.98	9.95	13.93

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Coimbatore
30th May, 2015

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

ANNEXURE - II
FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

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

To

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

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period ended on covering the financial year 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Shiva Texyarn Limited ("The Company") for the financial year ended on 31st March 2015 ('Audit Period') according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);



- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- vi Other laws specifically applicable to the company : Nil

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the Company during the audit period)
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

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

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

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

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

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

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

I further report that, during the audit period :-

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

Coimbatore
30th May, 2015

R DHANASEKARAN
Company Secretary in Parctice
FCS 7070 / CP 7745

ANNEXURE III**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A Brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR Policy - Approved by the Board of Directors and applicable from 14.8.2014

Present Activities:

- ❖ Shiva Texyarn Limited adopts Government Schools located at around factory and support construction of class rooms, water tanks, laboratory and other basic amenities to students. Provide teachers to the schools adopted by the Company.
- ❖ To provide Education facility to economically backward people.
- ❖ To provide Computer Training and organize Skill Development Program for Students and Teachers.
- ❖ Weblink: <http://www.shivatex.co.in/content/corporate-social-responsibility>.

2. Composition of CSR Committee

Corporate Social Responsibility Committee consists of three Directors of which two are Independent Directors.

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

3. Average net profit of the Company for last 3 financial years : ₹ 7,91,04,333/-
4. Prescribed CSR expenditure : ₹ 15,82,100/-
(2% of the amount as in item 3 above)
5. Details of CSR spend during the financial year
- a) Total amount to be spent for the financial year : ₹ 7,00,000/-
- b) Amount unspent, if any : ₹ 8,82,100/-
- c) Manner in which the amount spent during the financial year is detailed below: (in ₹)

S No	Projects/ Activities	Sector	Project / program locations	Amount outlay (budget) project/ programwise	Amount spent on the project/ program	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Sri Ramankrishna Tapovanam School Building Construction	Private	Trichy	-	7,00,000	7,00,000	Direct

Reason for not spending

Some of the projects which were to be executed with the participation of Government could not be implemented for want of required approvals.

Responsibility Statement of the CSR Committee

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

Coimbatore
30th May, 2015

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



ANNEXURE - IV

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

The information under Section 134 (3)(m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2015 is given here below and forms part of the Directors' Report.

A) CONSERVATION OF ENERGY

i) the steps taken or impact on conservation of energy;

- ❖ Energy Audit and conservation measure is being adopted periodically.
- ❖ The Air leakage in the compressor pipe lines and in the machines are checked regularly and deviations are corrected resulting in saving of power consumption is 20%
- ❖ Energy efficient pneumafil fan (405 mm dia) for OHTC installed in ring frame machines resulting in saving of power consumption 20% of above. In Zinser machines, suction fan speed optimized to reduce energy consumption.
- ❖ Pneumafil fan removed in Simplex machines for energy saving.
- ❖ All Humidification plant blade angle optimized to the requirement of optimum RH % and Temp.
- ❖ Fogging system installed in preparatory area and savings achieved 5%
- ❖ One booster fan motor removed in Blow room AWCS and savings achieved 23,000 units per annum.
- ❖ Modification of the high capacity condenser to stationery deducting in PP- II and energy savings achieved 37,000 units per annum.
- ❖ Atlas Copco 681 cfm screw type compressor new one installed and stopped 3x250 cfm KCP receiprocating compressor for better efficiency of compressor.
- ❖ VXL continuous suction machine energy saving fan provided and achieved energy savings of 22%.
- ❖ Pulley re-sizing in Ring Frames, Ring Frame pneumafil fan blade optimization, Electrical distribution voltage optimization, Comber filter - centrifugal fan speed optimization, which resulted in saving of power 3275 units per day.

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

- ❖ The company utilized solar energy for water heating.

iii) the capital investment on energy conservation equipment;

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

B) TECHNOLOGY ABSORPTION

i) the efforts made towards technology absorption;

Replacement of Tube light by LED Tube light and installation of light pipe.

Installation of wind turbo ventilators.

Developed computer based weighing system for accurate weighing of yarn.

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

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

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

iv) the Company has incurred an expenditure of ₹ 0.43 lakhs towards Research and Development.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review foreign exchange earnings were ₹ 8953.07 lakhs (previous year ₹ 13128.72 lakhs).

Foreign exchange outgo was ₹ 2450.33 lakhs (previous year ₹ 2887.70 lakhs)

Coimbatore
30th May, 2015

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

**ANNEXURE V****Disclosure in the Board's Report**

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

- i) The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial year 2014-15 and

Director's Name	Ratio
Sri S V Alagappan, Managing Director	83.51 : 1

- ii) The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in any in the Financial year 2014-15 compared to 2013-14 means part of the year.

Director's Name/CS/CFO	% increase in remuneration
Sri S V Alagappan, Managing Director	(66.12)
Sri S K Sundararaman	(38.48)
Smt M Shyamala (CS)	(6.46)
Sri S Seshadri (CFO)	6.09

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

- iii) Percentage increase in the median remuneration of employees in the Financial year 2014-15 1.00
- iv) Number of permanent employees on the rolls of the Company 1707
- v) Explanation on the relationship between average increase in remuneration and the company performance The relationship between average increase in remuneration and the company's performance are determined in the normal course of business and in line with the standards & norms of the Industry.
- vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the Performance of the Company

KMP's remuneration 2014-15 (₹ in lakhs)	% increase / (Decrease) in KMPs remuneration (2014-15 against 2013-14)	Sales 2014-15 (₹ in lakhs)	% increase in sales (2014-15 against 2013-14)
69.45	(60.87)	46528.87	(7.77)

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

Particulars	As on 31.3.2014	As on 31.3.2015	Variations	%
Market Capitalization (₹ crores)	52.93	83.39	30.46	57.55
Price Earnings Ratio	2.54	9.37	6.83	268.90

Market quotation of the shares as on 31.3.2015 (NSE)	₹ 38.60/- per share of face value ₹10/- per share
Market quotations of the shares when the Company came out with the last public offer	Rights issue in 1995 at a price of ₹ 32/- per share of Face Value of ₹ 10/- each
Percentage increase/decrease over the market quotations of the Company	31.3.2014 - (-) 23.44 31.3.2015 - (+) 20.63

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

The average percentile increase granted to employees other than managerial personnel is 16.46%

The percentile increase granted to managerial personnel is Nil

- ix) Comparison of each remuneration of the Key Managerial Personal against performance of the Company.

KMP's name and designation	CTC for 2014-15 ₹ in lakhs	% Increase/(Decrease) in CTC (2014-15 against 2013-14)	Sales for 2014-15 ₹ in lakhs	% increase in sales (2014-15 against 2013-14)
Sri S V Alagappan (MD)	55.52	(66.12)	46528.87	(7.77)
Sri S Seshadri (CFO)	9.95	6.09		
Smt M Shyamala (CS)	3.98	(6.46)		

- x) Key parameter for any variable component of remuneration availed by the Directors
- The Directors are not eligible for any variable compensation other than Commission payable to Managing Director
- xi) Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess the highest paid Director during the year
- Since the remuneration of the highest paid employee is not in excess of the highest paid Director it is not applicable



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

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

Name	: S K Sundararaman
Age	: 42
Designation	: Executive Director
Nature of Duties	: Manage the day to day affairs of the Company subject to the superintendence and control of Managing Director
Remuneration (₹ in lakhs)	: 71.63
Qualification & Experience (years)	: MBA and more than 16 years of experience in Textiles / Business
Date of commencement of employment	: 15.5.2006
Last employment	: Bannari Amman Spinning Mills Limited

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

During Financial year 2015, the Company has 1707 employees.

Coimbatore
30th May, 2015

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 its operations, procedures and reporting systems. Management aims to achieve greater efficiency and remain 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 Nine Directors viz., One Managing Director, One Executive Director and Seven Non-Executive Directors. Five Directors are Independent Directors and have no business relationship with the Company.

During the financial year, 4 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 21.5.2014, 14.8.2014, 14.11.2014 and 14.2.2015.

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 25.8.2014 :

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	1	-	-	4	Yes
2. Sri S V Arumugam	Non-Executive	7	-	1	4	Yes
3. Sri S K Sundararaman	Executive	3	-	-	4	Yes
4. Smt A Lalitha [#]	Non-Executive	1	-	-	2	-
5. Sri K N V Ramani	Non-Executive	6	-	4	4	Yes
6. Sri C S K Prabhu	Non-Executive	4	5	1	4	Yes
7. Dr K R Thillainathan	Non-Executive	1	-	-	4	Yes
8. Sri S Palaniswami	Non-Executive	1	-	1	4	Yes
9. Sri S Marusamy	Non-Executive	-	-	-	4	Yes

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

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

** Committees formed under Clause 49 are only considered.

Appointed w.e.f 1.9.2014



The Non-Executive Independent Directors fulfill the conditions laid down for appointment as Independent Directors as specified in Section 149 of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreements entered with the Stock Exchanges. A formal letter of appointment has been issued and a copy of the same is posted on website of the Company viz., www.shivatex.co.in.

FAMILIARISATION PROGRAMME

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

CODE OF CONDUCT

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

AUDIT COMMITTEE

The Audit Committee consists of the following 4 Directors, of whom 3 are independent. During the financial year the Audit Committee met 4 times on 19.5.2014, 12.8.2014, 8.11.2014 and 12.2.2015 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 Audit Committee Chairman was present at the last Annual General Meeting.

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:

The term of references to the Audit Committee inter alia include the followings:

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

- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - ii) Changes, if any, in accounting policies and practices and reasons for the same.
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management
 - iv) Significant adjustments made in the financial statements arising out of audit findings
 - v) Compliance with listing and other legal requirements relating to financial statements
 - vi) Disclosure of any related party transactions
 - vii) Qualifications in the draft audit report
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;



- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of 3 Directors, all of whom are independent. The constitution of Nomination and Remuneration Committee has become operational with effect from 21.5.2014. The Committee has met 2 times on 12.8.2014 and 16.3.2015.

Name of the Directors	Position	Attendance
Sri C S K Prabhu	Chairman & Independent Director	2
Sri S Palaniswami	Independent Director	2
Dr K R Thillainathan	Independent Director	2

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

- a) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and also recommend to the Board a Policy relating to the Remuneration of Directors, Key Managerial Personnels and other employees.
- b) Formulating the policy for determining qualification, positive attributes and independence of a Director.
- c) To formulate criteria for evaluation of Independent Directors and the Board.
- d) To devise a policy on Board diversity.

Remuneration Policy

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

<http://www.shivatex.co.in/admin/upload/27012015044903STYL-Remuneration.pdf>

Evaluation criteria

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

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

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

Name	Managing Director / Executive Director	Remuneration Received (₹ in Lakhs)
Sri S V Alagappan	Managing Director	55.52
Sri S K Sundararaman	Executive Director	71.63

Remuneration paid to Directors:

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

Smt A Lalitha, Director was paid a remuneration of ₹ 26.50 Lakhs during the year.

Meeting of Independent Directors

During the year under review the Independent Directors met on 16.3.2015 for the following purposes:

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

All the Independent Directors were present at the meeting.



CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee which shall recommend to the Board, the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, recommend the amount of expenditure to be incurred on such activities and monitor the CSR policy of the Company. The company has partially spent the amount stipulated under the requirements of the Act. Corporate Social Responsibility Committee constituted consisting of the following Directors with effect from 21.5.2014.

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

RELATED PARTY TRANSACTIONS

The Company has adopted policy on dealing with Related Parties. The same is disclosed in the website of the Company and is available in the following weblink: <http://www.shivatex.co.in/admin/upload/27012015044746STYL-RPT.pdf>

RISK MANAGEMENT COMMITTEE

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

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

WHISTLE BLOWER MECHANISM

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

SHAREHOLDING OF NON EXECUTIVE DIRECTORS AS ON 31.3.2015

Name of the Director	No. of Shares held
Sri S V Arumugam	Nil
Smt A Lalitha	1350
Sri K N V Ramani	Nil
Sri C S K Prabhu	Nil
Dr K R Thillainathan	300
Sri S Palaniswami	Nil
Sri S Marusamy	3883

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Stakeholders Relationship Committee consists of :

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

Smt M Shyamala, Company Secretary is the Compliance Officer.

The Company has not received any complaints from the Investors for redressal during the year and there was no complaint pending at the beginning of the year for redressal. No share transfer was pending as on 31.3.2015.

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



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

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

CEO & CFO CERTIFICATION

The Managing Director and Chief Financial Officer (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. The Code lays down guidelines and procedures to be followed and disclosures to be made by the management staff while dealing with the shares of the Company.

GENERAL BODY MEETING

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

AGM	Date & Time	Special Resolutions passed	Voting Pattern
31 st	24.9.2012 10.15 A.M.	Appointment of Executive Director and payment of remuneration u/s 198,269 and 309 read with Schedule XIII of the Companies Act, 1956	Resolution passed by show of hands
32 nd	23.9.2013 10.15 A.M.	Nil	Not Applicable
33 rd	25.8.2014 10.15 A.M.	Limits of Borrowing u/s 180(1)(c) of the Companies Act, 2013*	Total Votes polled: 1,62,00,628 Votes polled for: 1,62,00,228 Votes against: 400 Neutral: Nil
		Providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company*	Total Votes polled: 1,62,00,628 Votes polled for: 1,62,00,628 Votes against: Nil Neutral: Nil
		Section 188 (1) (f) of the Companies Act, 2013, for increase in Remuneration payable to Smt A Lalitha*	Total Votes polled: 1,10,52,551 Votes polled for: 1,10,52,151 Votes against: 400 Neutral: Nil

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

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

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

DISCLOSURES

- ❖ The Company has not entered into any transaction of a material nature with the related parties having potential conflict with the interest of the Company.
- ❖ There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.
- ❖ The Company has a Whistle Blower Policy in place and no personnel has been denied access to the Audit Committee and
- ❖ The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and in respect of Non-mandatory requirements the Company has complied all the conditions excepting the suggestion relating to appointment of separate persons to the post of Chairman and Managing Director/CEO.

MEANS OF COMMUNICATION

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

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day and Date : Monday, 28 th September, 2015	Financial Calendar
Time : 10.15 AM	Results Announced : 30.5.2015
Venue : Nani Kalaiarangam	Posting of Annual Report : On or before 30.8.2015
Mani Higher Secondary School	Last date of receipt of Proxy forms : 26.9.2015
Pappanaickenpalaym	Dividend payment date : On or before 10.10.2015
Coimbatore - 641 037	Announcement of Quarterly Results : During First/Second week of August and November 2015; February and May 2016 or as stipulated by SEBI from time to time

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

22.9.2015 to 28.9.2015 (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 2014 to March 2015 were:

MONTH	SHARE PRICE AT NSE		NIFTY - INDEX	
	High (Rs. Ps.)	Low (Rs. Ps.)	High	Low
April 2014	28.50	24.50	6869.85	6650.40
May	30.40	24.10	7563.50	6638.55
June	43.70	27.40	7700.05	7239.50
July	40.25	31.35	7840.95	7422.15
August	35.80	30.80	7968.25	7540.10
September	45.50	30.50	8180.20	7841.80
October	39.40	34.75	8330.75	7723.85
November	45.00	34.00	8617.00	8290.25
December	52.10	37.10	8626.95	7961.35
January 2015	54.90	32.30	8996.60	8065.45
February	49.30	35.50	8941.10	8470.50
March	43.90	33.70	9119.20	8269.15

Based on the closing quotation of ₹38.60 as at 31.3.2015 at National Stock Exchange of India Limited, Mumbai, the market capitalization of the Company was ₹ 83.39 Crores.

SHARE DETAILS

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

Exchange**BSE Limited, Mumbai**

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

Stock Code**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 2015 - 2016.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

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

DEMATERIALISATION OF SHARES

The shares of the Company are in compulsory demat segment. The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Members have option to hold their shares in demat form (i.e., electronic mode) either through the NSDL or CDSL. As on 31-3-2015, 94.87% 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 31.3.2015

Category	No of Shares Held	Percentage of Shareholding
Promoter's Holding	16189794	74.94
Banks/FIs/Mutual Funds	1200	0.01
Private Corporate Bodies	300662	1.39
Indian Public	5072116	23.48
NRI/OCBs	40749	0.19
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 Unit
Factory E-16, P-11 SIPCOT Industrial Growth Estate Perundurai, Erode 638 052 Tamilnadu

Garments Unit
5/177, Opp Power House Karadivavi, Palladam Taluk Tirupur District 641 658

Lamination Unit
S.F. No. 371/5, Karadivavi Road Paruvai Post, Karanampet Palladam - 641 658

Bag Unit
S.F. No. 371/5, Karadivavi Road Paruvai Post, Karanampet, Palladam 641 658

Windmills		
Munduelampatti 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 Tamilnadu

Coimbatore
30th May, 2015

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 52416 spindles both aggregating to 91488 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 27% 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 45 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.

Notably, India is the one of the world's second largest producers of textiles and garments. The sector accounts for about 24% of the world's spindle capacity and 8% of global rotor capacity. Enjoying a comparative advantage in terms of skilled manpower and cost of production over major textile producers, the sector has strong production base of wide range of fibre/ yarn from natural fibres like cotton/ jute, silk and wool to synthetic/ man-made fibres like polyester, viscose, nylon and acrylic. Though, India has fundamental advantages of growth of textile industry over others including availability of wide variety of raw materials, skilled manpower, committed local entrepreneurs and presence of large domestic and export markets, it has missed the third wave of global relocation of textile industry.

OPPORTUNITIES

The Country has the potential to double itself in size in textile market, over the next 6-7 years. Among the major competing nations, China is losing its competitive advantage in textile mainly so on account of increasing labour costs, appreciating Yuan, rising power costs, focus on domestic market and also due to conscious strategy to move towards higher value additions industries.

Other major exporting countries like Pakistan and Bangladesh are facing geo-political issues. In this scenario all major export markets vis-a-vis US, Europe, Japan, Australia, etc., are increasingly looking to shift a large portion of their sourcing pie. The country is also well placed to fill this gap since its entire major costs, be it cotton; yarn, power, wages, dyes and chemicals etc. are globally competitive now. Further, the Government also has been supportive for the industry and in order to unlock the complete potential of India, more efforts are needed from the industry as well as the Government.

Make in India campaign: A Make in India campaign covering 25 sectors, including the textile and garment industry, has been unveiled by the Prime Minister in the presence of the corporate world of India and abroad.

The Make in India scheme also puts in place the logistics and systems to address in a timely manner queries of potential investors. At Present, the Government of India allows 100% Foreign Direct Investment (FDI) under the Automatic Route in the Textile Sector, subject to all applicable regulations and laws, which effectively backs the Make in India programme for the textile and garment industry.



Under the Make in India initiative, investment opportunities for foreign companies and entrepreneurs are available across the entire value chain of synthetics, value-added and specialty fabrics, fabric processing set-ups for all kinds of natural and synthetic textiles, technical textiles, garments, and retail brands.

OUTLOOK

The outlook for Indian textile industry remains subdued, however recovery could be around the corner for the sector as domestic demand is expected to pick up this year on account of improving economic sentiments.

Further, increasing labour cost in China, which is likely to witness slow down, also offers an opportunity for Indian mills to increase their market share. Besides, geo-political woes in other exporting countries like Pakistan and Bangladesh keep aiding India to achieve its stated goal of \$300 billion of exports by 2024-25.

Moreover, Governments initiatives to revive manufacturing industry with textile as key segment in its Make in India programme also adds to the positive for the sector. Notably, Capital investments in the textile sector is witnessing a revival with projects worth hundreds of crore of rupees being announced in the past six months. Several of these projects are scheduled to come online over the next couple of years, adding capacity in the sector when consumer demand is expected to fully revive from the current slump.

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 Textile Sector has not got its due under the new Foreign Trade Policy (FTP) despite it being one of the largest employment providers in country. According to Cotton Textiles Export Promotion Council or (TEXPROCIL) the industry faces the challenges of high tariffs barriers on account of preferential tariff arrangements. Due to lack of large manufacturing capacities Indian manufacturers are unable to cater to large orders and become globally competitive.

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 Directors' Report to the Members.

Coimbatore
30th May, 2015

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

DECLARATION ON CODE OF CONDUCT

To

The Members
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 31.3.2015.

Coimbatore
30th May, 2015

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
Shiva Texyarn Limited

We have examined the compliance of conditions of Corporate Governance by SHIVA TEXTYARN LIMITED for the year ended on 31st March, 2015 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 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 : 30th May, 2015

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



INDEPENDENT AUDITORS' REPORT

To

The Members

Shiva Texyarn Limited

1. Report on the Financial Statements

We have audited the accompanying Financial Statements of SHIVA TEXTYARN LIMITED ("The Company") which comprise of the Balance Sheet as at 31st March 2015, the Statement of profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified u/s 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. 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, of the state of affairs of the Company as at 31st March 2015 and its profit and its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the financial statements comply with the Accounting Standards specified u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the Directors as on March 31, 2015, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164 (2) of the Act; and
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement.
 - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. However the company has not entered into any derivative contracts.
 - iii. The company has no amounts required to be transferred to Investor Education and Protection Fund.

Place : COIMBATORE

Date : 30th May, 2015

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



Annexure referred to in Paragraph 5(1) of our report of even date

The Annexure referred to in our Independent Auditors' Report to the Members of the Company on the Financial Statements for the year ended 31st March 2015, We report that:

1. In respect of fixed assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, the fixed assets have been physically verified by the management 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.

2. In respect of 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. In respect of Loans and Advances granted:

The Company has not granted loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

4. In respect of Internal Control:

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to 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 Deposits accepted:

The company had accepted deposits (not being loans) from parties listed in the register maintained pursuant to Section 189 of the Companies Act, 2013. These deposits are categories of deposits which are not covered by the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 or the rules made there-under. Hence the comment on compliance of provisions or rules or other directives does not arise.

6. In respect of Cost Records:

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

7. In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other Statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at the end of the year for a period of more than six months from the date of becoming payable.
- b) The disputed statutory dues aggregating to ₹ 128.79 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 (FY)	Amount (₹ in lakhs)
1.	ESI Act	ESI	ESI	1995-96	1.62
2.	TNVAT Act	VAT	ACCT, Mettupalayam Road Circle Coimbatore - 18	2011-12 & 2012-13	127.17

- c) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund, in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under have been transferred to such fund within time.

8. Accumulated losses:

The Company does not have any accumulated losses at the end of the Financial year and has not incurred cash loss in the financial year and in the immediately preceding financial year.

9. Default in Repayment of Loans:

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.

10. Granting of Guarantees:

In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.

11. Application of Term Loans:

The Term Loans raised by the Company have been applied for the purpose for which they were raised.

12. Frauds:

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 : 30th May, 2015

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

**BALANCE SHEET AS AT 31st MARCH 2015**

(₹ in lakhs)

Particulars	Note No.	As at 31.3.2015	As at 31.3.2014
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share capital	2	2,160.45	2,160.45
b) Reserves and surplus	3	12,932.84	12,304.74
c) Money received against share warrants		-	-
Sub total [1]		15,093.29	14,465.19
2. Share application money pending allotment		-	-
3. Non-current liabilities			
a) Long-term borrowings	4	9,489.77	12,956.06
b) Deferred tax liabilities (net)	5	4,258.38	4,041.06
c) Other long-term liabilities	6	30.46	30.34
d) Long-term provisions		-	-
Sub total [3]		13,778.61	17,027.46
4. Current liabilities			
a) Short-term borrowings	7	9,657.76	12,268.78
b) Trade payables	8	3,127.57	4,793.37
c) Other current liabilities	9	4,366.09	4,438.90
d) Short-term provisions	10	368.32	390.61
Sub total [4]		17,519.74	21,891.66
Total [1+2+3+4]		46,391.64	53,384.31
II. ASSETS			
1. Non-current assets			
a) Fixed assets	11		
i) Tangible assets		29,303.84	29,714.35
ii) Intangible assets		36.60	25.21
iii) Capital work-in-progress		537.15	102.08
		29,877.59	29,841.64
b) Non-current investments	12	111.23	196.01
c) Deferred tax assets (net)		-	-
d) Long-term loans and advances	13	3,136.07	2,748.46
e) Other non-current assets		-	-
Sub total [1]		33,124.89	32,786.11
2. Current assets			
a) Current investments		-	-
b) Inventories	14	7,890.32	12,969.14
c) Trade receivables	15	3,486.13	4,278.93
d) Cash and cash equivalents	16	664.07	1,933.35
e) Short-term loans and advances	17	653.69	666.51
f) Other current assets	18	572.54	750.27
Sub total [2]		13,266.75	20,598.20
Total [1+2]		46,391.64	53,384.31

To be read with accompanying notes forming part of the financial statements.

Subject to our report of even date attached

For VKS AIYER & Co

Chartered Accountants

R UMAMAHESWARI

Partner

Membership No. 221962

S V ALAGAPPANChairman and
Managing Director

For and on behalf of the Board

S V ARUMUGAM

Director

S K SUNDARARAMAN

Executive Director

Coimbatore

30th May 2015**S SESHADRI**

Chief Financial Officer

M SHYAMALA

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

(₹ in lakhs)

Particulars	Note No.	Year ended 31.3.2015	Year ended 31.3.2014
A. CONTINUING OPERATIONS			
I. Revenue from operations	19	46,528.88	50,446.66
II. Other Income	20	83.46	112.04
III. Total revenue (I+II)		46,612.34	50,558.70
IV. Expenses:			
(a) Cost of materials consumed	21	31,041.38	33,079.51
(b) Purchase of stock-in-trade	22	12.15	971.74
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(813.53)	(680.05)
(d) Employee benefits expense	24	2,518.20	2,103.71
(e) Finance costs	25	2,546.92	2,348.54
(f) Depreciation and amortisation expense	26	1,687.00	2,008.74
(g) Other expenses	27	8,333.00	7,731.09
Total Expenses		45,325.12	47,563.28
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		1,287.22	2,995.42
VI. Exceptional items	28	(15.00)	-
VII. Profit/(Loss) before extraordinary items and tax (V + VI)		1,272.22	2,995.42
VIII. Extraordinary items		-	-
IX. Net Profit/(loss) before tax (VII + VIII)		1,272.22	2,995.42
X. Tax expense :			
(a) Current tax	29	165.53	5.76
(b) Deferred tax	30	217.32	903.39
XI. Profit/(loss) for the period from continuing operations (IX-X)		889.35	2,086.27
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)		889.35	2,086.27
XVI. Earnings per Share - Basic & Diluted (₹)		4.12	9.66

To be read with accompanying notes forming part of the financial statements.

Subject to our report of even date attached

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Executive Director

Coimbatore

30th May 2015

S SESHADRI

Chief Financial Officer

M SHYAMALA

Company Secretary



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 in the year, in which the right to receive the yield are definite.
 - b) Income from erstwhile financing business against overdue hire purchase installments, lease rentals, bills discounted and loans written off are accounted to the extent collected upon final settlement of account with the parties.

7. FOREIGN CURRENCY TRANSACTIONS

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

8. EXCISE DUTY

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

9. DEPRECIATION

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

- i) On Straight Line Method over the remaining useful life of the assets as prescribed under Schedule II to the Companies Act, 2013.
- ii) For other assets acquired during the year pro-rata charge has been made from the date of first use; No depreciation is charged in the year of disposal of assets, as per consistent practice followed by the Company.

10. ACCOUNTING FOR TAXES ON INCOME

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

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



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

11. IMPAIRMENT OF ASSETS

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

12. BORROWING COSTS

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

13. EARNINGS PER SHARE

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

14. 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 in the year of settlement of such liability.

Contributions payable to Recognized Provident Funds, which is a defined contribution, are determined based on the statutory rates in force and remitted to the competent authority, and is charged to the profit and loss account.

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

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 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.

**CASH FLOW STATEMENT**

(₹ in lakhs)

Particulars	Year ended 31.3.2015	Year ended 31.3.2014
A. Cash flow from operating activities:		
Net profit/(loss) before extraordinary items and tax	1,272.22	2,995.42
Adjustments for:		
Depreciation and amortisation	1,687.01	2,008.74
Profit on sale of fixed assets	-	(0.06)
Loss on sale of fixed assets	11.21	12.09
Finance costs	2,546.92	2,348.54
Interest income	(31.35)	(32.94)
Dividend Income	(1.14)	(1.05)
Gain on sale of investments	-	-
Loss on sale of investments	-	-
Rental income from investment properties	(13.56)	(11.11)
Rental income from operating leases	(1.12)	-
Adjustments to carrying amount of investments (net)	(2.35)	(5.87)
Security deposit on lease written back	-	-
Deferred expenses written off	-	-
Impairment loss on assets leased written off	-	-
	4,195.61	4,318.33
Operating profit/(loss) before working capital changes	5,467.83	7,313.75
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	5,078.82	(8,619.52)
Trade receivables	792.80	(842.72)
Short-term loans and advances	12.83	(38.69)
Long-term loans and advances	(367.34)	(527.17)
Other current assets	177.72	(76.16)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(1,665.80)	376.72
Other current liabilities	(72.80)	(127.73)
Other long-term liabilities	0.12	1.07
Short-term provisions	19.78	(121.01)
	3,976.11	(9,975.20)
Cash generated from operations	9,443.94	(2,661.45)
Cash flow from extraordinary items	-	-
	9,443.94	(2,661.45)
Direct Taxes	(165.54)	(5.76)
Net cash flow from Operating Activities	9278.40	(2667.21)

CASH FLOW STATEMENT (Contd...)

(₹ in lakhs)

Particulars	Year ended 31.3.2015	Year ended 31.3.2014
B. Cash flow from investing activities:		
Capital expenditure on fixed assets	(1,776.68)	(1,140.78)
Capital advances for fixed assets	(20.28)	(82.71)
Sale of fixed assets	44.15	6.57
Purchase of investment property	-	-
Sale of investments	-	-
Purchase of investment	85.51	(57.50)
Interest received	31.35	32.94
Dividend received	1.14	1.05
Rental income from investment properties	13.56	11.11
Rental income from operating leases	1.12	-
Sale of / write back of security deposit on assets leased	-	-
Capital subsidy received	-	-
Net cash flow from investing activities	<u>(1,620.13)</u>	<u>(1,229.33)</u>
C. Cash flow from financing activities :		
Increase/(decrease) in long-term borrowings	(3,466.28)	(1,366.38)
Increase/(Decrease) in working capital borrowings	(2,611.01)	7,888.55
Finance costs	(2,546.92)	(2,348.54)
Dividend paid	(259.25)	(259.25)
Tax on dividend paid	(44.06)	(44.06)
Net cash flow from financing activities	<u>(8,927.53)</u>	<u>3,870.31</u>
Net increase in cash and cash equivalents	<u>(1,269.26)</u>	<u>(26.22)</u>
Cash and cash equivalents at the beginning of the year	1,933.35	1,959.58
Cash and cash equivalents at the end of the year	664.09	1,933.35

Subject to our report of even date attached

For VKS AIYER & Co

Chartered Accountants

R UMAMAHESWARI

Partner

Membership No. 221962

S V ALAGAPPAN

Chairman and

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S V ARUMUGAM

Director

S K SUNDARARAMAN

Executive Director

Coimbatore

30th May 2015**S SESHADRI**

Chief Financial Officer

M SHYAMALA

Company Secretary



NOTES FORMING PART OF THE BALANCE SHEET

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 2 : SHARE CAPITAL		
Particulars of each class of Share Capitals :		
Authorised:		
2,20,00,000 Equity shares of ₹10/- each	2,200.00	2,200.00
Issued, subscribed and paid up :		
2,16,04,521 Equity shares of ₹10/- each fully paid up	2,160.45	2,160.45
(Refer notes (i) to (vii) below)	2,160.45	2,160.45
Notes:		
i) Reconciliation in number and amount of Shares :		
Opening balance		
(Equity shares @ ₹10/- each)		
- Number of shares	2,16,04,521	2,16,04,521
Closing balance		
(Equity shares @ ₹10/- each)		
- Number of shares	2,16,04,521	2,16,04,521
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	1,01,10,667	1,01,10,667
- % of holding	46.80%	46.80%
b) Annamallai Retreading Company Private Limited		
- Number of shares	50,83,577	50,83,577
- % of holding	23.53%	23.53%

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

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
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	9,605.72	8,105.72
Add: Transferred from surplus in Statement of Profit and Loss	750.00	1,500.00
Closing balance	<u>10,355.72</u>	<u>9,605.72</u>
d) Surplus in Statement of Profit and Loss: Opening balance	444.24	161.29
Add : Profit/(loss) after tax for the year	889.36	2,086.27
	<u>1,333.60</u>	<u>2,247.56</u>
Less : (i) Dividend proposed to be distributed to equity shareholders	216.05	259.25
(ii) Tax on proposed dividend	45.21	44.06
(iii) Transfer to General reserve	750.00	1,500.00
Closing balance	<u>322.34</u>	<u>444.24</u>
Total (a+b+c+d)	<u>12,932.84</u>	<u>12,304.74</u>
NOTE 4 : LONG-TERM BORROWINGS		
a) Term loans from Banks (Refer note (i) below) Secured	9,341.77	12,828.39
b) Loans and advances from related parties (Refer note (ii) below) Unsecured	115.00	125.00
c) Hire purchase finance from Banks (Refer note (iii) below) Secured	33.00	2.67
	<u>9,489.77</u>	<u>12,956.06</u>



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

(₹ in lakhs)

Particulars			As at 31.03.2015	As at 31.03.2014
Notes :				
I) Details of terms of repayment, security provided and loans guaranteed by the Directors or others - Term loans from banks (Secured) :-				
Name of the bank	Terms of repayment	Nature of security		
a) Indian Overseas Bank	Repayable in 96 monthly instalments varying from ₹15.00 to ₹49.00 lakhs each, commencing from April, 2012	Hypothecation of windmills and equitable mortgage of related lands in Tirupur district, Tamilnadu	1,932.00	2,232.00
b) Indian Overseas Bank	Repayable in 32 quarterly instalments of ₹250.00 lakhs each, commencing from September, 2010	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	1,749.49	2,500.00
c) Canara Bank	Repayable in 32 quarterly instalments of ₹186.00 lakhs each, commencing from March, 2011	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	2,038.58	2,773.00
d) State Bank of Hyderabad	Repayable in 32 quarterly instalments of ₹154.00 lakhs each, commencing from March, 2010	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	1,059.39	1,675.47
e) Uco Bank	Repayable in 32 quarterly instalments of ₹16.41 lakhs each, commencing from September, 2010	First charge on the immovables and hypothecation of movables of spinning unit-II of the Company	168.72	234.36
f) 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	228.59	388.56

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

(₹ in lakhs)

Particulars			As at 31.03.2015	As at 31.03.2014
Name of the bank	Terms of repayment	Nature of security		
g) Bank of Baroda	Repayable in 27 quarterly instalments of ₹90.00 lakhs each & ₹70.00 lakhs for the last instalment commencing from August, 2011	First charge on the immovables and hypothecation of movables of spinning unit-I of the Company	790.00	1,150.00
h) 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.	1,375.00	1,875.00
			9,341.77	12,828.39

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

II) Loans and advances from related parties

Unsecured	-	-
Loans from Directors	115.00	125.00
	115.00	125.00

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		
i) HDFC Bank	Repayable in 36 monthly instalments of ₹0.67 lakhs each, commencing from September, 2012	Hypothecation of motor car	-	2.67
ii) Kotak Mahindra Prime Ltd	Repayable in 60 monthly instalments of varying amounts commencing from August, 2014	Hypothecation of motor car	33.00	-
			33.00	2.67

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

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
iv) Continuous defaults in repayment of loans and interest	Nil	Nil

NOTE 5 : DEFERRED TAX LIABILITIES (NET)

a) Deferred tax liability :

Opening balance	4,096.21	4,150.70
Add : Additions during the year	231.87	-
	4328.08	4150.70
Less : Reversed during the year	-	54.49
Closing balance	4328.08	4096.21

b) Deferred tax asset :

Opening balance	55.15	1,013.03
Add: Additions during the year	14.55	-
	69.70	1013.03
Less : Reversed during the year	-	957.88
Closing balance	69.70	55.15
Deferred tax liability (Net) (a)-(b)	4258.38	4041.06

NOTE 6 : OTHER LONG-TERM LIABILITIES

i) Trade / Security deposits received	24.02	22.87
ii) Income received in advance	3.14	3.18
iii) Rent deposit received	3.30	4.30
	30.46	30.34

NOTE 7 : SHORT-TERM BORROWINGS

Loans repayable on demand :

From banks (Refer note below)

Secured	9,657.76	12,268.78
	9,657.76	12,268.78

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

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
-------------	---------------------	---------------------

Note :

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

a) Short-term loans

-

-

b) Working capital loans :

Name of the bank	Terms of repayment	Nature of security		
i) Indian Overseas Bank - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	966.39	4,719.73
ii) Indian Overseas Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	1,573.82	379.91
iii) Bank of Baroda - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	1,436.49	1,217.57
iv) Canara Bank - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	1,262.59	1,564.47
v) Canara Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	-	123.74
vi) Allahabad Bank PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	0.02	590.98
vii) KVB - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	457.98	-
viii) KVB - Cash Credit	Repayable on demand	Hypothecation of inventories and trade receivables	1,457.72	-

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

(₹ in lakhs)

Particulars			As at 31.03.2015	As at 31.03.2014
Name of the bank	Terms of repayment	Nature of security		
ix) Allahabad Bank	Repayable on demand	Hypothecation of inventories and trade receivables	0.09	893.62
x) ICICI Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	426.92	443.44
xi) Canara Bank - ILC	Repayable on demand	Hypothecation of inventories and trade receivables	365.07	303.79
xii) Indian Overseas Bank - PCFC	Repayable on demand	Hypothecation of inventories and trade receivables	-	415.06
xiii) ICIC Bank - ILC	Repayable on demand	Hypothecation of inventories and trade receivables	210.67	450.15
xiv) IOB R.S. Puram Branch ILC	Repayable on demand	Hypothecation of inventories and trade receivables	-	164.39
xv) Kotak Mahindra Bank Short Term Loan	Repayable on demand	—	1,500.00	1,001.93
			9,657.76	12,268.79

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

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

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 8 : TRADE PAYABLES		
a) Micro, Small and Medium Enterprises	-	-
b) Others	3,127.57	4,793.37
	3,127.57	4,793.37
NOTE 9 : OTHER CURRENT LIABILITIES		
a) Current maturities of long-term debt (Refer note (i) below)	3,816.01	3,583.87
b) Interest accrued and due on loans (Refer note (ii) below)	93.27	151.24
c) Income received in advance	0.03	0.03
d) Unclaimed dividends	21.96	27.27
e) Unclaimed matured deposits and interest accrued thereon	9.63	10.12
f) Other payables	425.19	666.36
	4,366.09	4,438.90
Notes :		
i) Current maturities of long-term debt		
a) Term loans from Banks (Secured) :		
ICICI Bank Ltd	-	37.50
Indian Overseas Bank	1,360.00	1,360.00
Canara Bank	744.00	852.02
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	500.00	125.00
b) Hire purchase finance from Banks (Secured) :		
HDFC Bank - Car Loan	2.67	8.00
Kotak Mahindra Prime Limited	7.99	-
c) Deposits :		
Public deposits (Unsecured)	-	-
	3,816.01	3,583.87

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

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
ii) Interest accrued and due on loans		
Term loans from Banks:		
Indian Overseas Bank	51.73	60.72
Canara Bank	-	35.35
State Bank of Hyderabad	19.85	26.83
Uco Bank	3.05	3.92
Bank of Maharashtra	4.63	6.46
Bank of Baroda	-	17.95
Kotak Mahindra Bank	14.01	-
	93.27	151.24

[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	91.23	75.94
b) Provision for gratuity	15.84	1.29

Others :

a) Provision for tax (Net of advance tax)	-	10.06
b) Provision for proposed dividend	216.05	259.25
c) Provision for tax on dividend	45.21	44.06
	368.32	390.61

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 1.4.2014	Additions / Transfers	Deletions / Transfers	As at 31.3.2015	As at 01.4.2014	For the Year	Withdrawn / Deletions	As at 31.3.2015	As at 31.3.2014
A Tangible assets -										
	Land:									
	Own	392.82	-	-	392.82	-	-	-	392.82	392.82
	Lease Hold	33.11	-	-	33.11	0.81	0.33	1.14	31.97	32.30
2 Buildings:										
	Non-Factory Buildings (RCC)	941.79	103.77	-	1,045.56	66.61	16.33	-	962.62	875.18
	Non-Factory Buildings (Other than RCC)	235.17	-	-	235.17	46.50	9.86	-	178.81	188.67
	Factory Buildings (RCC & Non-RCC)	6,614.58	155.10	-	6,769.68	922.33	241.11	-	5,606.25	5,692.26
	Fences, Wells, Tube wells	42.60	2.21	-	44.81	4.85	3.48	-	36.48	37.75
	Temporary Structure, etc	35.64	-	-	35.64	6.99	1.54	-	27.11	28.66
3 Plant and equipments										
	Plant and Machineries (General)	22,756.25	858.96	94.91	23,520.30	7,062.01	811.93	46.34	15,692.70	15,694.24
	Plant and Machineries (Special)	-	-	-	-	-	-	-	-	-
	-Windmills	12,102.48	-	-	12,102.48	5,758.41	455.41	-	6,213.82	6,344.06
4	Furnitures and fixtures	118.98	36.68	-	155.66	38.70	15.65	-	101.31	80.28
5 Vehicles										
	Two Wheelers	6.34	0.51	-	6.85	3.91	0.27	-	2.67	2.44
	Lorries (Running on hire)	-	-	-	-	-	-	-	-	-
	Lorries (Other than running on hire)	63.62	21.74	-	85.36	21.90	9.69	-	53.77	41.72
	Motor Cars (Own use)	119.26	87.98	-	207.24	44.20	25.27	-	137.77	75.06
6	Office Equipments	188.52	15.16	-	203.68	85.21	55.86	-	62.61	103.30
7 Computers and Data Processing Units:										
	Servers and Networks	-	-	-	-	-	-	-	-	-
	Computers, Printers, UPS, etc.	49.48	7.59	-	57.07	34.30	7.87	-	14.90	15.18
8	Lab Equipments	152.11	3.56	12.47	143.20	93.66	3.65	5.69	51.58	58.45
9	Electrical Installations	66.51	16.21	-	82.72	9.92	10.98	-	61.83	56.59
TOTAL (A)		43,919.26	1,309.47	107.38	45,121.35	14,200.31	1,669.23	52.02	29,303.84	29,718.95
B Intangible assets										
	Computer software	52.29	32.14	-	84.42	31.67	16.15	-	36.61	20.62
Total (B)		52.29	32.14	-	84.42	31.67	16.15	-	36.61	20.62
C Capital work-in-progress										
	Buildings	22.44	104.28	63.23	63.49	-	-	-	63.49	22.44
	Machinery	53.32	618.13	197.79	473.66	-	-	-	473.66	53.32
	Electrical Installations	6.56	-	6.56	-	-	-	-	-	6.56
	Computer	9.77	-	9.77	-	-	-	-	-	9.77
	Furnitures & Fixtures	9.98	-	9.98	-	-	-	-	-	9.98
TOTAL (C)		102.07	722.41	287.33	537.15	-	-	-	537.15	102.07
D Intangible assets under construction										
Total (D)		-	-	-	-	-	-	-	-	-
Total (A+B+C+D)		44,073.62	2,064.02	394.71	45,742.93	14,231.98	1,685.37	52.02	29,877.59	29,841.64
Total for the Previous Year		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

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



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

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 12 : NON-CURRENT INVESTMENTS		
a) Investment property (Refer note (i) below)	66.01	67.64
b) Investment in equity instruments (Refer note (ii) below)	45.22	128.37
Total	111.23	196.02
i) Investment property		
Nature of property		
Lands	5.71	5.71
Buildings (Refer notes (a) to (c) below)	60.30	61.93
	66.01	67.64
Notes:		
(a) Original cost - Buildings	84.61	84.61
	84.61	84.61
(b) Accumulated depreciation - Buildings	24.31	22.68
	24.31	22.68
(c) Written down value - Buildings	60.30	61.93
	60.30	61.93

(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	0.19	1.75	1.75
Hindalco Industries Ltd	20	10	0.03	0.02	0.02
ICICI Bank	7325	10	23.11	8.89	8.89
IDBI Bank Ltd	640	10	0.45	0.37	0.37
IFCI Ltd	16000	10	5.34	11.29	11.29
KG Denim Ltd	5000	10	1.05	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	0.31	6.66	6.66
Ponni Sugars & Chemicals Ltd	3030	10	0.03	0.40	0.40
Shree Karthik Papers Ltd	30000	10	1.41	3.00	3.00
State Bank of India	500	100	1.34	0.58	0.58
Steel Authority of India Ltd	1000	10	0.67	0.62	0.62
Sesa Sterlite Ltd	9050	10	17.15	15.22	15.22
Super Sales Agencies Ltd	2300	10	5.96	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	0.38	0.73	0.73
Total			57.65	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	-	-		-	30.00
OPG Metals Private Limited	15000	10		1.50	1.50
ARS Energy Private Limited	5000	10		0.50	-
Cauvery Power Generation Chennai Pvt Ltd	-	-		-	56.00
Total				7.42	92.92

C) Abstract :

Aggregate amount of quoted investments	57.53	57.53
Market value of quoted investments	57.65	52.78
Aggregate amount of unquoted investments	7.42	92.92
Aggregate amount of equity investments	64.95	150.45
Less: Provision for diminution in value of investments	19.73	22.08
Net carrying amount of equity investments	45.22	128.37



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

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 13 : LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Capital advances	377.05	356.77
b) Security deposit	320.36	151.23
c) Prepaid expenses	15.76	15.94
d) Advance income tax (Net of provision)	65.32	-
e) MAT credit entitlement	2,293.28	2,181.08
f) Other loans and advances	64.30	43.44
	<u>3,136.07</u>	<u>2,748.46</u>
[Long terms loans and advances due by Directors/Officers, due by Firm or Private Limited Companies in which any Director is a Partner or Director]	-	-
NOTE 14 : INVENTORIES		
a) Raw materials	4,435.36	10,271.13
b) Work-in-progress (Refer note below)	424.06	553.48
c) Finished goods	2,454.16	1,627.23
d) Stores, chemicals, packing and other materials	510.47	452.64
e) Waste	66.27	64.67
	<u>7,890.32</u>	<u>12,969.14</u>
Note :		
Work - in - progress		
Cotton	393.09	507.50
Yarn	30.97	39.87
Fabric	-	6.11
Total	<u>424.06</u>	<u>553.48</u>
[Method of valuation stated in Sl. No. 5 of Note No. 1 of Significant Accounting Policies]	-	-
NOTE 15 : TRADE RECEIVABLES		
a) Trade receivables outstanding for a period exceeding six months		
- Unsecured, considered good	46.49	98.93
- Doubtful	103.13	63.13
	<u>149.62</u>	<u>162.06</u>
Less : Provision for bad and doubtful debts	103.13	63.13
	<u>46.49</u>	<u>98.93</u>
b) Other trade receivables		
- Unsecured, considered good	3,439.64	4,180.00
	<u>3,486.13</u>	<u>4,278.93</u>
[Trade receivables 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 31.03.2015	As at 31.03.2014
NOTE 16 : CASH AND CASH EQUIVALENTS		
a) Cash on hand	27.63	17.03
b) Cheques, drafts on hand	67.00	-
c) Balances with banks:		
i) In current/cash credit accounts	436.50	1,662.41
ii) In deposit/margin money accounts (Refer note below)	110.98	226.64
iii) In unpaid dividend accounts	21.96	27.27
	<u>664.07</u>	<u>1,933.35</u>
Note :		
Out of the above, bank deposit and margin money which have maturity of more than 12 months	-	-
NOTE 17 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
a) Prepaid expenses	175.76	154.65
b) Balances with government authorities :		
i) CENVAT credit receivable	193.00	54.94
ii) VAT credit receivable	36.51	14.56
iii) VAT advance tax paid	25.00	50.00
c) Others	223.42	392.35
	<u>653.69</u>	<u>666.50</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]	-	-
NOTE 18 : OTHER CURRENT ASSETS		
a) Unbilled revenue	0.26	2.25
b) Accruals :		
Interest accrued on deposits	2.50	1.03
Windmill generation - unadjusted	33.75	81.09
c) Others :		
i) Insurance claims receivable	3.81	6.99
ii) Interest subsidy on TUF loan receivable	390.44	374.74
iii) Export/other incentive receivables	141.63	284.01
iv) Other Miscellaneous assets	0.15	0.15
	<u>572.54</u>	<u>750.27</u>

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

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
NOTE 19 : REVENUE FROM OPERATIONS		
a) Sale of products	45,769.57	49,244.10
b) Other operating revenues (Refer note below)	783.17	1,202.56
	<u>46,552.74</u>	<u>50,446.66</u>
Less: Excise duty	23.86	-
	<u>46,528.88</u>	<u>50,446.66</u>
Note: Other operating revenues		
Duty drawback and other export incentives	344.72	467.69
Processing charges receipts	378.45	699.88
Machinery rental income	60.00	35.00
	<u>783.17</u>	<u>1,202.56</u>
NOTE 20 : OTHER INCOME		
a) Interest income (Refer note (i) below)	30.39	31.45
b) Dividend income (Refer note (ii) below)	1.14	1.05
c) Adjustments to carrying amount of investments (net) [Refer Note (iii) below]	2.35	5.87
d) Net gain on foreign currency transactions	1.23	2.51
e) Other non-operating income (Refer note (iv) below)	48.35	71.14
	<u>83.46</u>	<u>112.04</u>
Notes :		
i) Interest income		
Interest from bank on deposit	6.39	14.04
Interest on other deposits	23.19	16.60
Interest on loans and advances	-	0.81
Interest on income tax refund	0.81	-
	<u>30.39</u>	<u>31.45</u>
ii) Dividend income		
From long-term investments		
Subsidiaries	-	-
Associates	-	-
Others	1.14	1.05
	<u>1.14</u>	<u>1.05</u>

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

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
iii) Adjustments to carrying amount of investments (net)		
From current investments	-	-
From long-term investments	2.35	5.87
	<u>2.35</u>	<u>5.87</u>
iv) Other non-operating income		
Rental income from investment properties	13.56	11.11
Rental income from operating leases	1.12	-
Profit on sale of fixed assets	-	0.06
Excess provision for Bonus/Gratuity written back	-	2.83
Bad debts recovery	11.81	6.14
Sundry Balances written back	1.45	26.24
Prior period items (net)	0.96	1.48
Other miscellaneous income	19.45	23.27
Net agriculture income	-	-
	<u>48.35</u>	<u>71.14</u>

NOTE 21 : COST OF MATERIALS CONSUMED

Consumption of Raw materials :

Opening stock - Raw materials	10,272.41	2,425.25
- Work-in-process	507.50	467.14
Add : Purchases	25,076.37	40,965.68
	<u>35,856.28</u>	<u>43,858.06</u>
Less : Closing stock - Raw materials	4,421.81	10,271.06
- Work-in-process	393.09	507.50
Cost of materials consumed	<u>31,041.38</u>	<u>33,079.51</u>

NOTE 22 : PURCHASE OF STOCK-IN-TRADE

Yarn	-	625.99
Fabrics	12.15	345.75
	<u>12.15</u>	<u>971.74</u>

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

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
NOTE 23 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
a) Inventories at the end of the year:		
Finished goods	2,454.16	1,627.23
Stock-in-progress	30.97	45.98
Waste	66.27	64.66
	<u>2,551.40</u>	<u>1,737.87</u>
b) Inventories at the beginning 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>
Net (increase)/decrease in stock (b) - (a)	<u>(813.53)</u>	<u>(680.05)</u>
NOTE 24 : EMPLOYEE BENEFITS EXPENSE		
a) Salaries and wages (Refer note (i) below)	2,163.72	1,774.80
b) Contribution to provident and other funds (Refer note (ii) below)	125.59	118.88
c) Staff welfare expenses (Refer note (iii) below)	228.89	210.03
	<u>2,518.20</u>	<u>2,103.71</u>
Notes :		
i) Salaries and Wages		
Remuneration to Directors	133.95	273.10
Salaries, wages and allowances	1,899.12	1,388.35
Bonus and ex-gratia	130.65	113.35
	<u>2,163.72</u>	<u>1,774.80</u>
ii) Contribution to provident and other funds		
Contribution to provident fund	40.38	35.92
EDLI & PF administration charges	9.39	6.37
Contribution to family pension fund	55.92	34.00
Contribution to gratuity	19.90	42.60
	<u>125.59</u>	<u>118.88</u>

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

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
iii) Staff welfare expenses		
Employees state insurance contribution	16.43	13.40
Staff recruitment and training expenses	22.28	30.33
Welfare expenses	190.18	166.30
	228.89	210.03
NOTE 25 : FINANCE COSTS		
a) Interest expenses (Refer note (i) below)	2,423.56	1,979.96
b) Other borrowing costs (Refer note (ii) below)	165.85	244.20
c) Net (gain)/Loss on foreign currency transactions (FCNRB loans)	(42.49)	124.38
	2,546.92	2,348.54
Notes :		
i) Interest expenses on :		
Cash credit from banks	864.81	322.16
Term loan from banks	1,552.44	1,645.86
Finance Charges on finance lease	0.71	1.52
Other interest	5.60	-
	2,423.56	1,969.54
ii) Other borrowing costs :		
Commitment charges	42.98	72.78
Loan processing fee	5.06	-
Bank charges	117.81	171.41
	165.85	244.20
NOTE 26 : DEPRECIATION AND AMORTISATION EXPENSES		
a) Depreciation and amortisation on tangible assets	1,670.85	1,995.04
b) Depreciation and amortisation on intangible assets	16.15	13.70
	1,687.00	2,008.74



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

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
NOTE 27 : OTHER EXPENSES		
a) Manufacturing expenses (Refer note (i) below)	4,591.24	4,192.05
b) Administrative expenses (Refer note (ii) below)	826.27	805.25
c) Repairs and maintenance (Refer note (iii) below)	1,437.09	1,557.96
d) Selling and distribution expenses (Refer note (iv) below)	1,290.29	1,011.54
e) Miscellaneous expenses (Refer note (v) below)	188.11	164.29
	8,333.00	7,731.09
Notes: i) Manufacturing expenses:		
Power and fuel	4,208.66	4,214.93
Less: Captive consumption	2,127.48	2,214.08
	2,081.18	2,000.85
Consumption of chemicals, stores and packing materials	1,648.11	1,371.35
TANGEDCO Charges	367.18	208.22
Processing charges paid	494.77	611.63
	4,591.24	4,192.05
ii) Administrative expenses :		
Rent	189.96	120.47
Insurance	137.99	129.63
Rates and taxes	69.80	108.74
Directors' sitting fee	2.00	1.75
Donations	23.60	12.54
Payments to auditors	13.91	10.33
Legal and professional charges	54.45	61.72
Postage and telephone	89.89	74.30
Telephone	6.85	-
Travelling and conveyance	199.71	153.14
Printing and stationery	29.09	43.78
Bad trade receivables and advances written off	1.96	72.00
Sundry balances written off	7.06	16.84
	826.27	805.25

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

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
iii) Repairs and maintenance :		
Buildings	125.40	151.87
Machinery	797.00	1,011.43
Electrical	88.32	113.78
Vehicles	50.20	37.73
Windmills	287.55	155.73
Others	88.62	87.42
	<u>1,437.09</u>	<u>1,557.96</u>
iv) Selling and distribution expenses :		
Advertisement expenses	16.79	15.49
Freight and Transport on Sales	285.83	323.03
Commission and brokerage	360.56	423.46
Discount on sales	610.84	233.82
Business promotion expenses	16.27	15.74
	<u>1,290.29</u>	<u>1,011.54</u>
v) Miscellaneous expenses:		
Loss on fixed assets sold / scrapped / written off	11.21	12.09
Loss on Sale of Certificates	1.18	-
Provision for doubtful debts / advances	40.00	26.19
Electricity and lighting expenses	74.17	56.49
Subscription, membership and periodicals	5.58	11.07
Listing fee	3.10	2.32
Filing and registration fees	2.03	2.45
General expenses	43.84	51.11
Corporate Social Responsibility expenses	7.00	-
	<u>188.11</u>	<u>161.71</u>

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

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
NOTE 28 : EXCEPTIONAL ITEMS		
a) Income	-	-
b) Expenses :		
Loss on Sale of Investments	15.00	-
Net income/(expenses) (a) - (b)	(15.00)	-
NOTE 29 : CURRENT TAX		
a) Current tax expense for current year:		
A) Regular tax	162.12	-
B) Book Profit tax	274.32	637.65
Less : MAT credit entitlement	112.20	631.89
	162.12	5.76
Current tax expense for the year (higher of A or B)	162.12	5.76
b) Current tax expense relating to prior years	3.41	-
	165.53	5.76
NOTE 30 : DEFERRED TAX		
a) Provision for Deferred Tax Liability (Dr)	231.87	-
b) Reversal of Deferred Tax Liability (Cr)	-	(54.49)
c) Provision for Deferred Tax Asset (Cr)	(14.55)	-
d) Reversal of Deferred Tax Asset (Dr)	-	957.88
	217.32	903.39

ADDITIONAL NOTES ATTACHED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

NOTE - 31 : OTHER NOTES TO FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
I ADDITIONAL NOTES TO BALANCE SHEET		
A Contingent liabilities		
a) Claims against the Company not acknowledged as debt	-	-
b) Guarantees	-	-
c) Other money for which the Company is contingently liable:		
i) Disputed demands from ESI Authorities pertaining to Corporate office	11.28	11.28
ii) Disputed income tax demand pending in appeal before the first Appellate authority	-	1.05
iii) Disputed central sales tax demand in respect of which interim stay granted by Hon'ble High Court of Madras	-	16.02
iv) Disputed TNVAT demand in respect of which interim stay granted by Hon'ble High Court of Madras	127.17	404.13
B Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	105.09	157.06
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	298.61	3,704.81
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	216.05	259.25
Number of shares	21,604,521	21,604,521
Amount of dividend per share	1.00	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	-	-



(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
II ADDITIONAL NOTES TO STATEMENT OF PROFIT AND LOSS		
1 Payments to auditors		
Independent audit :		
a) As auditors - Statutory audit	6.00	4.00
b) For Taxation matters	3.95	3.16
c) For other services	2.43	2.03
d) For reimbursement of expenses	1.53	1.14
	<u>13.91</u>	<u>10.33</u>
2 Prior period items:		
a) Income	0.96	1.48
b) Expenses	-	-
Net of prior period itmes (a) - (b)	<u>0.96</u>	<u>1.48</u>
3 Disclosure for raw materials, purchased goods and finished goods under broad heads		
Sale of products		
a) Manufactured goods:		
Yarn	33,963.84	37,429.32
Fabric	5,288.70	3,181.87
Garments	295.47	1,510.90
Coated fabrics (Canvas)	1,650.82	1,644.36
Laminated fabrics	2,376.93	1,813.12
Waste	2,229.76	2,777.88
Wind energy	(35.94)	72.25
Total	<u>45,769.57</u>	<u>48,429.70</u>
b) Traded goods:		
Raw Materials - Cotton	-	209.76
Purchased Garments	-	604.64
Total	<u>-</u>	<u>814.40</u>
Total sale of products (a)+(b)	<u>45,769.57</u>	<u>49,244.10</u>

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Raw materials consumption		
a) Cotton	29,088.77	31,463.28
b) Others	1,952.60	1,616.23
Total	31,041.38	33,079.51
Purchase of traded goods		
a) Cotton	-	-
b) Waste	-	-
c) Yarn	-	625.99
d) Fabrics	12.16	345.75
e) Garments	-	-
Total	12.16	971.74
4. Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;		
Raw materials		
Indigenous	(₹) 29,832.14	30,464.05
	(%) 91.03	92.09
Imported	(₹) 1,209.24	2,615.46
	(%) 8.97	7.91
Total	31,041.38	33,079.51
Stores and spares		
Indigenous	(₹) 2,183.71	2,018.64
	(%) 94.26	89.35
Imported	(₹) 218.43	269.80
	(%) 5.74	10.65
Total	2,402.14	2,288.44
5. Value of imports calculated on CIF basis by the company during the financial year in respect of		
i) Raw materials	1,619.31	2,218.81
ii) Components and spare parts	211.99	245.78
iii) Capital goods	512.17	311.99
6. Expenditure in foreign currency incurred during the financial year on account of:		
Royalty, know-how, professional and consultation fees	-	-
Interest and dividend	-	-
Traveling, training and others	106.87	111.12



(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
7. The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;		
i) Total number of Non-resident shareholders	-	-
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	8,953.07	13,128.72
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	0.43	0.28
10. Rates and taxes include wealth tax	0.65	0.34

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	64.68	35.92
ii) Contribution to family pension fund	55.92	34.00
iii) Contribution to employees state insurance scheme	16.43	13.40

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
b) Defined benefit plan : Gratuity		
A. Changes in Present Value of Obligation		
PV of Obligation as at the beginning of the year	195.33	188.49
Current Service Cost	14.77	15.49
Interest cost	21.14	15.14
Acturial (gain)/Loss on Obligation	9.29	(23.79)
PV of Obligation as at the end the year	240.54	195.33
B. Change in Assets during the year ended 31st March		
FV of Plan Assets as at the beginning of the year	231.96	154.34
Expected return on Plan Assets	21.14	15.14
Settlement Claims-Credit	(6.94)	(9.72)
Contributions by the employer	0.81	72.29
Charges deducted	(2.11)	(0.10)
FV of Plan Assets as at the end of the year	244.86	231.96
C. Net Asset/(Liability) Recognized in the Balance Sheet		
PV of Obligation as at the end the year	240.54	195.33
FV of Plan Assets Obligation as at the end the year	244.86	231.96
Funded Status [Surplus/(Deficit)]	4.33	36.63
D. Expenses recognized during the period ended 31st March		
Current Service Cost	14.77	15.49
Interest Cost	21.14	15.14
Expected return on Plan Assets	(22.65)	(21.32)
Actuarial (gains)/Losses	3.38	31.98
Net Amount recognised in Statement of profit and loss	16.64	41.30
E. Categories of Plan assets as a percdentage of Total Plan assets		
Equity Instruments	-	-
Debt Instruments	-	-
Property	-	-
Insurer Managed Asset	100.00%	100.00%
F. Assumptions used in accounting for the gratuity Plan		
Discount Rate (Per Annum)		
- Unit-I	8.00%	8.00%
- Unit-II	8.00%	8.00%
Rate of Increase in compensation levels (Per Annum)		
- Unit-I	6.50%	8.00%
- Unit-II	6.50%	6.50%



(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Rate of return on plan assets (Per Annum)		
- Unit-I	9.25%	9.25%
- Unit-II	9.25%	9.00%
Expected average remaining working lives of employees (Years)		
- Unit-I	33.40	33.48
- Unit-II	35.45	34.94

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 Automobiles Private Ltd
 Anamallais Motors Private Ltd
 Annamallai Retreading Company Private Ltd
 Bannari Amman Spinning Mills Ltd
 Sakthi Murugan Transports Ltd
 Shiva Cargo Movers Ltd
 Young Brand Apparel Private 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

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
B. Nature and amount of related party transactions and balances outstanding :		
Associates		
Rent paid & Lease Rent paid	131.67	80.12
Lorry freight	7.00	0.20
Purchase of fabrics	933.00	1,039.80
Purchase of store materials	-	1.46
Service charges paid	2.38	-
Processing charges paid	-	29.31
Labour charges paid	-	260.99
Conversion charges paid	197.86	130.17
Sale of fabrics	1,190.11	11.01
Sale of fixed assets	45.68	-
Conversion charges received	21.65	176.84
Sale of yarn	120.45	463.84
Sale of cotton	-	222.45
Sale of canvas	-	0.43
Lease Rent received	60.00	72.00
Processing charges received	-	0.86
Commission paid	1.63	-
Key management personnel		
Remuneration	127.15	280.30
Relatives of key management personnel		
Remuneration	28.60	11.55
Amount outstanding at the year end :		
Associates		
Receivables	50.66	18.35
Payables	282.75	519.29
Key management personnel		
Receivables	-	-
Payables	-	-



(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Relatives of key management personnel		
Receivables	-	-
Payables	115.00	125.00
Amount written off during the year		
Associates	-	-
Key management personnel	-	-
Relatives of key management personnel	-	-

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	889.35	2,086.27
Weighted average number of shares	21,604,521	21,604,521
Basic and Diluted earnings per share (₹)	4.12	9.66

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	4,328.08	4,096.21
Related to others	-	-
	4,328.08	4,096.21

B. Deferred tax asset :

Related to provisions	39.86	26.33
Related to disallowance	29.84	28.82
Related to unabsorbed business loss/depreciation allowance	-	-
	69.70	55.15

Net deferred tax liability as at close of the year	4,258.38	4,041.06
Net deferred tax liability as at beginning of the year	4,041.06	3,137.67
Net increase/(decrease) in deferred tax liability	217.32	903.39

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
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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, 2015 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.

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



(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
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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 2012-13.
 - b) The wealth tax assessments have been completed upto the assessment year 2012-13.
 - c) No further liability 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

R UMAMAHESWARI

Partner

Membership No. 221962

Coimbatore

30th May 2015**S V ALAGAPPAN**

Chairman and

Managing Director

For and on behalf of the Board

S V ARUMUGAM

Director

S K SUNDARARAMAN

Executive Director

S SESHADRI

Chief Financial Officer

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	272.30	6
2003-2004	2160.45	6097.48	9441.91	1089.09	749.24	339.85	7.5
2004-2005	2160.45	5827.91	9469.61	1380.96	771.84	609.12	10
2005-2006	2160.45	6987.36	8972.52	2007.82	697.04	1521.74	15
2006-2007	2160.45	8151.39	10136.23	2318.59	720.79	1553.23	15
2007-2008	2160.45	7753.55	9582.46	1788.07	743.42	1119.20	15
2008-2009	2160.45	7976.09	10136.02	1431.79	832.46	601.57	9
2009-2010	2160.45	8254.40	19796.65	2178.64	1350.33	828.31	10
2010-2011	2160.45	10538.23	42336.50	5567.24	1765.98	3801.25	15
2011-2012	2160.45	8595.89	33194.77	(992.86)	1870.32	(2863.18)	-
2012-2013	2160.45	10521.78	41051.00	5072.42	1916.97	3155.45	12
2013-2014	2160.45	12304.74	49244.10	5004.16	2008.74	2995.42	12
2014-2015	2160.45	12932.84	45769.57	2959.23	1687.01	1272.22	10

* Turnover = Net Sales + Closing Stock – Opening Stock

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

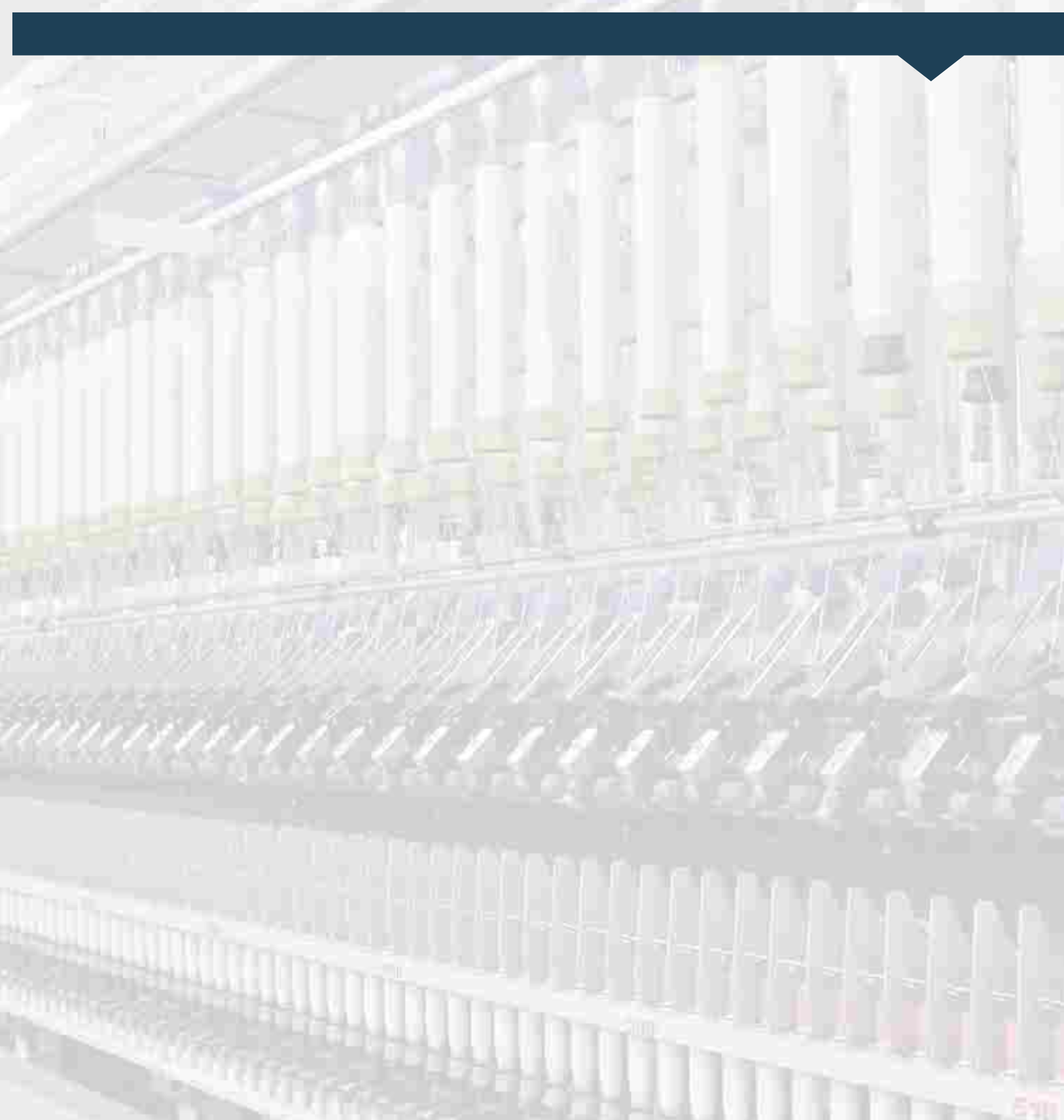
Processing Unit
Factory E-16, P-11 SIPCOT Industrial Growth Estate Perundurai, Erode 638 052 Tamilnadu

Bag Unit
S.F No. 371/5, Karadivavi Road Paruvai Post, Karanampet, Palladam 641 658

Lamination Unit
S.F. No. 371/5, Karadivavi Road Paruvai Post, Karanampet Palladam - 641 658

Garments Unit
5/177, Opp Power House Karadivavi, Palladam Taluk Tirupur District 641 658

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



SHIVA TEXTYARN 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



SHIVA TEXTYARN LIMITED

Registered office: 252, Mettupalayam Road, Coimbatore – 641 043
Phone No: 0422-2435555 Fax No. 0422-4383325
Website: www.shivatex.co.in email id: shares@shivatex.co.in
CIN: L65921TZ1980PLC000945

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]

Name & Address of
the member(s):

I/We being the member(s) holding shares of the above named Company, hereby appoint:

- 1) Name :
Address:.....
Email ID:..... Signature or failing him/her
- 2) Name :
Address:.....
Email ID:..... Signature or failing him/her
- 3) Name :
Address:.....
Email ID:..... Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the company, to be held on Monday, the 28th September, 2015 at 10.15 a.m. at "Nani Kalaiarangam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Cut here ----- P.T.O.

Electronic Voting Particulars

If desirous of E-voting, please read the instructions given in the AGM Notice before exercising

EVS (Electronic Voting Sequence Number)	* Default PAN / Sequence No
150814011	

* Those who have not registered their PAN may use Default PAN

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SHIVA TEXTYARN LIMITED

Regd. Office: 252, Mettupalayam Road, Coimbatore – 641 043
Phone No: 0422-2435555 Fax No. 0422-4383325
Website: www.shivatex.co.in email id: shares@shivatex.co.in
CIN: L65921TZ1980PLC000945

Folio No. / Demat ID :
Name of the Member :
Name of the Proxy :

No. of
shares held :

ATTENDANCE SLIP

Attendance by

- ☐ Member
- ☐ Proxy
- ☐ Authorised Representative

Please ✓ the appropriate box

I hereby record my presence at 34th Annual General Meeting being held on Monday, 28th September, 2015 at "Nani Kalaiarangam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037, Tamilnadu

* Strike out whichever is not applicable

Signature of Member / Proxy*

Resolution Number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1	Approval of Financial Statements for the year ended 31 st March, 2015, the Report of the Board of Directors and the Report of the Auditors thereon.			
2	Declaration of Dividend on equity shares			
3	Appointment of Director in the place of Sri S V Alagappan, (DIN 00002450) who retires by rotation and being eligible, offers himself for re-appointment			
4	Ratification of appointment of Auditors and to fix their remuneration (Firm Registration No.000066S)			
	Special Business			
5	Appointment of Smt A Lalitha (DIN 00003688) as a Director			
6	Re-appointment and payment of remuneration to Sri S V Alagappan, Managing Director (DIN 00002450)			
7	To increase in remuneration payable to Sri S K Sundararaman, Executive Director (DIN 00002691)			
8	Ratification of remuneration payable to Sri M Nagarajan, Cost Accountant (Firm Registration No. 102133)			
9	Deletion of Article 99.a) and 104. of the Articles of Association of the Company			

Signed this day of 2015

Signature of shareholder :

Signature of Proxy holder (s) :



Note :

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem applicable.
