



## SHIVA TEXYARN LIMITED

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

Telephone : 0422 - 2435555 E-mail : shares@shivatex.co.in

Website : www.shivatex.co.in CIN : L65921TZ1980PLC000945 GSTRN : 33AABCA6617M1Z0

STYL/SEC/SE/116/2019-20

18<sup>th</sup> July 2019

To

BSE LIMITED Phiroze Jeejeebhoy Towers 25 <sup>th</sup> Floor, Dalal Street, Fort Mumbai – 400 001  Scrip Code : 511108	National Stock Exchange India Limited Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra – (East) Mumbai – 400 051  Scrip Code : SHIVATEX
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Dear Sir,

**SUB:- FILING OF ANNUAL REPORT FOR THE YEAR 2018-19 – REG.**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 we are herewith submitting the Annual Report of the Company for the financial year 2018- 2019.

The said Annual Report has also been uploaded on the website of the Company at [www.shivatex.in](http://www.shivatex.in).

Thanking you

Yours faithfully

For Shiva Texyarn Limited

R. SRINIVASAN  
Company Secretary  
M.No.21254

Encl: As above



# SHIVA TEXYARN LIMITED

A TECHNICAL TEXTILE COMPANY



## 38<sup>th</sup> ANNUAL REPORT 2019

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**BOARD OF DIRECTORS**

Sri S V Alagappan	Chairman
Sri S V Arumugam	Director (Upto 09.11.2018)
Dr S V Kandasami	Director
Sri S K Sundararaman	Managing Director
Smt S Sujana Abirami	Director
Sri K N V Ramani	Director
Sri C S K Prabhu	Director
Sri S Palaniswami	Director
Dr K R Thillainathan	Director
Sri S Marusamy	Director

**AUDITORS**

M/s. Deloitte Haskins & Sells LLP  
Chartered Accountants  
Coimbatore - 641 018

**INTERNAL AUDITORS**

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

**COST AUDITOR**

Sri M Nagarajan  
Cost Auditor  
Coimbatore - 641 018

**REGISTERED OFFICE**

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

**CHIEF FINANCIAL OFFICER**

Sri C Krishnakumar

**COMPANY SECRETARY**

Sri R Srinivasan

**BANKERS**

Canara Bank  
Indian Overseas Bank  
UCO Bank  
R B L Bank Ltd  
Bank of Baroda  
Karur Vysya Bank  
Axis Bank Limited  
HDFC Bank Limited

**SHARE TRANSFER AGENT**

M/s. SKDC Consultants Ltd  
Kanapathy Towers  
3<sup>rd</sup> Floor, 1391/A-1 Sathy Road  
Ganapathy, Coimbatore - 641 006





## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 38<sup>th</sup> 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 19<sup>th</sup> August, 2019 at 11.00 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 31<sup>st</sup> March, 2019, 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 Dr S V Kandasami (DIN 00002470) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 4. **Appointment of Sri A Dhananjayan (DIN:08043947) as an Independent Director**

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

**RESOLVED** that Sri A Dhananjayan (DIN 08043947), who was appointed by the Board of Directors as an Additional Director of the Company on 29th May, 2019 and who holds office up to the date of this Annual General Meeting of the Company pursuant to Section 161(1) of the Companies Act, 2013, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER** that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, if any, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) & Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations as amended from time to time, Sri A Dhananjayan (DIN 08043947) who meets the criteria for independence as stipulated in Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five consecutive years effective from 29.05.2019.

**5. Appointment of Sri D Satish Krishnan (DIN:00052973) as an Independent Director**

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

**RESOLVED** that Sri D Satish Krishnan (DIN 00052973), who was appointed by the Board of Directors as an Additional Director of the Company on 29th May, 2019 and who holds office up to the date of this Annual General Meeting of the Company pursuant to Section 161(1) of the Companies Act, 2013, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER** that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, if any, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) & Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations as amended from time to time, Sri D Satish Krishnan (DIN 00052973) who meets the criteria for independence as stipulated in Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five consecutive years effective from 29.05.2019.

**6. Re-appointment of Sri K N V Ramani (DIN:00007931) as an Independent Director**

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

**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV of the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Sri K N V Ramani (DIN 00007931), who was appointed as an Independent Director at the Thirty Third Annual General Meeting of the Company and who holds office up to 24.08.2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years effective from 25.08.2019.



**7. Re-appointment of Sri S Marusamy (DIN:00610091) as an Independent Director**

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

**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV of the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Sri S Marusamy (DIN 00610091), who was appointed as an Independent Director at the Thirty Third Annual General Meeting of the Company and who holds office up to 24.08.2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years effective from 25.08.2019.

**8. Ratification of remuneration payable to Sri M Nagarajan, Cost Auditors of the Company**

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

**RESOLVED** that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of Audit Committee the remuneration of Rs.1,00,000 (Rupees One Lakh only) (besides reimbursement of out of pocket expenses incurred by him for the purpose of Audit) payable to Sri M Nagarajan, Cost Auditor (Firm Registration No. 102133), as approved by the Board of Directors for conducting the Audit of the Cost Records of the Company for the Financial Year ending 31st March 2020, be and is hereby ratified and confirmed.

Coimbatore  
29<sup>th</sup> May, 2019

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

## 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 (50) fifty and holding in the aggregate not more than 10% of the total share capital of the Company. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business in respect of items starting from 4 to 8 of the Agenda are annexed hereto.
4. Previous year figures are given in brackets for the purpose of comparison.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 13th August 2019 to 19th August 2019 (both the days are inclusive).
6. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting of the Company.
7. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 12th August 2019. 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 12th August 2019.
8. The dividend remaining unclaimed and 9783 unclaimed shares remaining unclaimed for a period of 7 years pertaining to the period 2010-2011 has been transferred to the IEPF account and the investors may claim the same from the Central Government as per the applicable provisions. The list of shares transferred is available in the website of the Company [www.shivatex.in](http://www.shivatex.in).
9. Members are requested to bring their copy of the Annual Report along with them to the meeting.
10. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting. Please note that the voting through electronic means is optional for the members.
11. The voting through electronic means will commence on 16th August 2019 at 10.00 A.M and will end on 18th August 2019 at 5.00 P.M. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter.
12. The Company has appointed Mr. R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the voting process in a fair and transparent manner.
13. **The instructions for shareholders voting electronically are as under:**
  - Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**
  1. The voting period begins on 16th August 2019 at 10.00 AM and ends on 18th August 2019 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th August 2019, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.





2. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
3. Click on "Login" tab, available under 'Shareholders' section.
4. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
5. Your User ID details are given below:
  - a) Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b) Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
  - c) Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.

6. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

<b>For Members holding shares in Demat Form or Physical Form</b>	
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"> <li>● Members who have not updated their PAN with Depository Participant or in the Company record are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN Field.</li> </ul>
DOB	<p>Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.</p>
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 number.</p> <p>Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or Company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).</p>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

**NOTE:**

The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

7. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

8. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

9. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

10. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

11. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

12. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.



❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
  - Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
  - In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.
13. 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 through remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the venue.
14. 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.
15. The Route Map of the Venue of the Annual General Meeting is attached to the Proxy Form/Attendance Slip.

Coimbatore  
29<sup>th</sup> May, 2019

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

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM No. 4**

Pursuant to the provisions of Sections 149 and 160 of the Companies Act, 2013 read with Listing Agreement entered into with the Stock Exchanges under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and as recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 29th May, 2019 has appointed, Sri A Dhananjayan (DIN 08043947) as an Additional Director. He is classified as an Independent Director effective from 29th May, 2019 subject to the approval of the shareholders. In the opinion of the Board of Directors Sri A Dhananjayan (DIN 08043947) fulfills the conditions specified in the Act and Rules made thereunder for his appointment as an Independent Director and he is independent of the management. The Board considers that his association with the Company would be beneficial and hence Board recommends his appointment for the approval of the members of the Company. A brief profile of Sri A Dhananjayan (DIN 08043947) is annexed to this notice.

Sri A Dhananjayan, a qualified Practicing Chartered Accountant has more than 14 years of experience in the field of Direct Taxes (Representation) and Internal Audit.

Draft letter of appointment containing the terms and conditions of appointment are available for inspection by members at the Registered Office of the company during business hours on all working days of the Company.

Except Sri A Dhananjayan, being an appointee none of the Directors, key managerial personnel or their relatives is concerned or interested either financially or otherwise in the resolution set out at Item No. 4.

**ITEM No. 5**

Pursuant to the provisions of Sections 149 and 160 of the Companies Act, 2013 read with Listing Agreement entered into with the Stock Exchanges under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and as recommended by the Nomination and Remuneration Committee of the Board of Directors, the Board of Directors of the Company at their meeting held on 29th May 2019 has appointed, Sri D Satish Krishnan (DIN 00052973) as an Additional Director. He is classified as an Independent Director effective from 29th May, 2019 subject to the approval of the shareholders. In the opinion of the Board of Directors Sri D Satish Krishnan (DIN 00052973) fulfills the conditions specified in the Act and Rules made thereunder for his appointment as an Independent Director and he is independent of the management. The Board considers that his association with the Company would be beneficial and hence Board recommends his appointment for the approval of the members of the Company. A brief profile of Sri D Satish Krishnan (DIN 00052973) is annexed to this notice.

Sri D Satish Krishnan, a B.Com graduate has got more than 15 years of vast and rich experience in the field of Steel Industry.

Draft letter of appointment containing the terms and conditions of appointment are available for inspection by members at the Registered Office of the Company during business hours on all working days of the Company.

Except Sri. D. Satish Krishnan, being an appointee none of the Directors, key managerial personnel or their relatives is concerned or interested either financially or otherwise in the resolution set out at Item No. 5.

**ITEM No. 6**

Sri K N V Ramani (DIN 00007931) was appointed as a Non-Executive and Independent Director of the Company for five consecutive years from 25th August 2014 till 24th August 2019. Sri K N V Ramani is Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Board of Directors of the Company.

In the opinion of the Board of Directors Sri K N V Ramani (DIN 00007931) fulfills the conditions specified in the Act and Rules made thereunder for his re-appointment as an Independent Director.

Sri K N V Ramani is past the age of seventy five years, and a Special Resolution by the members for the continuation was passed on 24.09.2018. He is a Senior Corporate Lawyer has more than fifty years standing. He is the Founder and Senior Partner of the leading Law firm 'RAMANI AND SHANKAR' which is a reputed and well recognized consultant of many Corporates and other Institutions in the region. As Corporate Lawyer, specializing in legislations concerning them and all types of commercial causes, his association in the Board has been of value to the Company.

He continues on the Board and Committees including Audit Committees of several Listed Companies. The Company will benefit by his continued association and guidance as a member of the Board.

The Board recommends his re-appointment as an Independent Director for a further term of five years based on his evaluation of performance by the Nomination and Remuneration Committee and necessary special resolution for seeking the approval of members is being placed.

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

**ITEM No. 7**

Sri S Marusami was appointed as an Independent Director of the Company for a term of five years from 25.08.2014 to 24.08.2019.

In the opinion of the Board of Directors Sri S Marusamy (DIN 00610091) fulfills the conditions specified in the Act and Rules made thereunder for his re-appointment as an Independent Director.

He has more than 35 years of experience in agro -processing and transport agency business. He is holding 3869 equity shares of the Company. The Company will benefit by his continued Association and guidance as a Member of the Board.

The Board recommends his re-appointment as an Independent Director for a further term of five years based on his evaluation of performance by the Nomination and Remuneration Committee and necessary special resolution for seeking the approval of members is being placed.

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



**ITEM No. 8**

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment of and payment of remuneration to Sri M Nagarajan, Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending 31<sup>st</sup> March, 2019.

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 31<sup>st</sup> March 2020, 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, financially or otherwise, in the resolution set out at Item No.8.

Coimbatore  
29<sup>th</sup> May, 2019

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



**ANNEXURE TO THE NOTICE  
RE-APPOINTMENT OF DIRECTORS**

PARTICULARS	DR S V KANDASAMI	SRI A DHANANJAYAN	SRI D SATISH KRISHNAN	SRI K N V RAMANI	SRI S MARUSAMY
Date of Birth/Age	02.02.1943 / 76 Years	22.08.1980 / 38 Years	03.01.1979 / 40 Years	05.10.1931 / 88 Years	14.05.1965 / 54 Years
Qualification	MBBS	B.Com, FCA, DISA	B.Com	M.A, B.L	-
Date of Appointment	31.08.2017	29.05.2019	29.05.2019	26.05.2008	28.12.2005
Expertise	Five decades of experience in medical profession	Direct Taxes (Representation) and Internal Audit	Marketing & Administration	A renowned Corporate Lawyer has more than six decades of specialization in Companies Act, Taxation, Labour etc.,	Has more than four decades of experience in agro processing and transport agency business
Name of the Listed entities in which the person also holds directorship	-	National Fittings Ltd	-	Bannari Amman Spinning Mills Ltd Shiva Mills Ltd KPR Mills Ltd LGB Forge Ltd K G Denim Ltd	Shiva Mills Ltd
Membership of Committees of the Board (Listed entities)	-	<b>National Fittings Ltd</b> Audit Committee - Member	-	<b>Bannari Amman Spinning Mills Ltd</b> Audit Committee-Member Nomination and Remuneration Committee - Chairman <b>K G Denim Ltd</b> Audit Committee - Member Nomination and Remuneration Committee - Chairman <b>Shiva Mills Ltd</b> Audit Committee - Chairman Stakeholders Relationship Committee - Chairman <b>LGB Forge Ltd</b> Nomination and Remuneration Committee - Chairman	
Relationship between the inter-se directors	Brother of Sri S V Alagappan, Father of Sri S K Sundararaman, Father-in-law of Smt S Sujana Abirami	-	-	-	-
Number of shares held in the company	1,74,117 Equity Shares	-	-	-	3869 Equity Shares

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Eighth Annual Report together with Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2019.

(₹ in lakhs)

## FINANCIAL RESULTS

### Profit before Interest and Depreciation

Less: Interest

### Profit before Depreciation

Less: Depreciation

### Profit before Tax

Less : Provision for Income Tax

- Current Tax

- Deferred tax Liability (Net)

### Profit after Tax

Add : Other comprehensive income/(Loss)

### Total comprehensive income/(Loss) for the year

Financial Year	
2018-19	2017-18
<b>4302.01</b>	4736.03
<b>2165.31</b>	1927.62
<b>2136.70</b>	2808.41
<b>1336.21</b>	1343.64
<b>800.49</b>	1464.77
<b>162.94</b>	345.00
<b>(32.74)</b>	(12.53)
<b>670.29</b>	1132.30
<b>(30.93)</b>	9.97
<b>639.36</b>	1142.27

## DIVIDEND

Your Directors are glad to recommend payment of Dividend @ Rs. 1.10/- per equity share of Rs.10/- each (@ 11% of the paid up capital) (Last year Rs. 1.60/- per share of Rs. 10/- each). The dividend on equity shares together with distribution tax on corporate dividend will absorb Rs. 171.90 lakhs (Rs. 250.02 lakhs).

## REVIEW OF OPERATIONS

During the year under review, the spinning unit produced 10482.15 tonnes (10763.93 tonnes) of yarn. The spinning unit sold 9868.55 tonnes (10180.08 tonnes) of yarn and out of which exports accounted for 1505.77 tonnes (1964.61 tonnes). Further, during the year under review, the Company sold 3318.23 tonnes (3226.80 tonnes) of waste cotton of which exports accounted for 392.95 tonnes (711.56 tonnes).

The Wind Mills, with aggregate installed capacity of 18.145 MW generated 212.62 lakh units of Wind Electricity as against 230.87 lakh units in the last year. The entire power generated by Wind Mills was utilized for captive consumption at the textile mills.

The performance of the spinning unit in terms of profitability was better compare to last year, and due to less demand in the second half yarn stock level has increased. And wind generated almost equal compare to last year its support to maintain the profitability.

The company's non-spinning technical textile division overall performance in respect of revenue almost equal to last year, in respect of profitability was reduced high material and operational cost. The overall sales turnover of the Company from all divisions aggregated to Rs.35111.33 Lakhs (Rs.35551.51 Lakhs) of which exports including merchant exports amounted to Rs.5690.11 Lakhs (Rs.7301.75 Lakhs), the exports contributing 16.21% (20.53%) of the overall sales of the Company.

### **PROSPECTS FOR THE CURRENT YEAR**

The prospects for the spinning division appear to be stable and strategic shift to higher counts expect reasonable margin. The contribution from windmill also expects to continue in the present level. The contribution from lamination, coating and garments are likely to improve in the coming years.

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

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

### **TRANSFER TO RESERVES**

During the year under review, the Company has not transferred any amount to General Reserves.

### **CHANGE IN THE NATURE OF BUSINESS**

There was no change in the nature of principal business of the Company during the financial year ended 31st March 2019.

### **SHARE CAPITAL**

During the year under review the Company has not made any fresh issue of shares.

### **TRANSFER OF UNCLAIMED DIVIDEND / SHARES TO INVESTOR EDUCATION AND PROTECTION FUND**

The Company has transferred unclaimed dividend of Rs.5,26,521/- to the Investor Education and Protection Fund and also transferred 9,783 equity shares of Rs.10/- each to the account of Investor Education and Protection Fund, during the year under review.

### **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return as on 31st March, 2019 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 i.e. Form MGT - 9 is available at the weblink:[www.shivatex.in](http://www.shivatex.in).

### **BOARD MEETINGS**

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

### **SECRETARIAL STANDARDS**

During the year under review, your Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time.

**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.

**DIRECTORS**

During the period under review Sri A Dhananjayan (DIN : 08043947) and Sri D Satish Krishnan (DIN : 00052973) were inducted in to the Board on 29.05.2019.

Sri S V Kandasami, Director (DIN 00002470) is required to retire by rotation at the ensuing Annual General Meeting, he is eligible and seeks re-appointment. He has also got the approval of members of the Company in the Annual General Meeting held on 24th September 2018 for continuation of office of Director after crossing the age of 75 years.

Sri K N V Ramani (DIN 00007931) and Sri S Marusamy (DIN 00610091), Independent Directors of the Company were re-appointed for a second term of five consecutive years effective from 25.08.2019 till 24.08.2024. Suitable resolutions along with explanatory statement and justification for their re-appointment as an Independent Directors have been set out in the Notice to the members.

Sri S V Arumugam resigned from the Board with effect from 09.11.2018.

Sri K N V Ramani, Sri C S K Prabhu, Sri S Palaniswami, Dr K R Thillainathan and Sri S Marusamy were appointed as Independent Directors at the Thirty Third Annual General Meeting of the Company for a period of five consecutive years effective from 25.08.2014 to 24.08.2019 and their first tenure of office of the said Independent Directors will ends on 24.08.2019.

Sri C S K Prabhu, Sri S Palaniswami and Dr K R Thillainathan, Independent Directors of the Company have expressed their unwillingness for seeking re-appointment.

The Board placed its sincere appreciation on record for the valuable contributions made by Sri S V Arumugam, who was associated with the Company for a continuous period of 38 years as an active member of the Board and guided the growth of the Company to its present status as a prominent and key player in the domestic yarn segment. His vision and professional approach has always been of great support to the Board.



The Board also recorded the valuable contributions and guidance rendered by Sri C S K Prabhu, Sri S Palaniswami and Dr K R Thillainathan during their tenure of office as an Independent Directors of the Company.

### **DECLARATION OF INDEPENDENT DIRECTORS**

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

### **EVALUATION OF BOARD OF DIRECTORS**

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

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

### **KEY MANAGERIAL PERSONNEL**

The Company has not appointed any Key Managerial Personnel during the year under review.

### **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 (Managing 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.

### **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.in](http://www.shivatex.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:

1. 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
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
3. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year in the ordinary course of business were on arm's length basis. Hence provisions of Section 188 of the Companies Act, 2013 are not attracted. Further no materially significant related party transactions were made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Hence reporting under Form 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.in](http://www.shivatex.in).

### **SUBSIDIARY COMPANY**

The Company has no subsidiary during the year under review.

### **PUBLIC DEPOSITS**

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

### **CORPORATE GOVERNANCE**

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

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

### **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.

### **AUDITORS**

As per Section 139 of the Companies Act, 2013 M/s Deloitte, Haskin & Sells LLP – Chartered Accountants were appointed as Auditors for a term of 5 years in the 36th Annual General Meeting held on 25th December, 2017 and will hold office up to 41st Annual General Meeting without further ratification every year as per the provisions of Companies (Amendment) Act, 2017.

## **SECRETARIAL AUDIT**

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

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

## **COST AUDITOR**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014 as amended from time to time, the Board of Directors, on the recommendation of Audit Committee, have appointed Sri M Nagarajan, Cost Accountant, Coimbatore as Cost Auditor to conduct Cost Audit of the Company for the financial year 2019 - 2020 with remuneration. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening Annual General Meeting.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

## **INTERNAL AUDITOR**

The Company has appointed M/s. B.M Associates as Internal Auditor to conduct the internal audits of the Company.

## **STATEMENT ON RISK MANAGEMENT POLICY**

Pursuant to section 134(3) (n) of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee. The Committee has developed a Risk Management Policy and implemented the same. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards Report. At present the Company has not identified any element of risk which may threaten 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 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 by the Board with effect from 21.05.2014, comprised of the following Directors.

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

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

### 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, 2019 relating to Conservation of Energy, etc., is enclosed as **Annexure III**

#### 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, 2019 is provided as **Annexure IV** to this report.

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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

### ACKNOWLEDGEMENT

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

Coimbatore  
29<sup>th</sup> May, 2019

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

**ANNEXURE I**  
**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019**

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

To

The Members  
SHIVA TEXYARN LIMITED  
(CIN : L65921TZ1980PLC000945)  
252 Mettupalayam Road, Coimbatore 641 043

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March 2019 ('Audit Period') according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder and applicable provisions of the Companies Act 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the Audit Period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the Audit Period)



- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- vi. The following other laws specifically applicable to the company:
  - a. Textile Committee Act, 1963
  - b. Textiles (Development and Regulation) order, 2001
  - c. Textiles (Consumer Protection) Regulation, 1985

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

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

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

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

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

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

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

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

I further report that, during the audit period:

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

Coimbatore  
29<sup>th</sup> May, 2019

**CS. R. DHANASEKARAN**  
Company Secretary in Parctice  
FCS 7070 / CP 7745

## ANNEXURE II

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

**Present Activities:**

- ❖ Shiva Texyarn adopts Government Schools located at around factory and support construction of class rooms, water tanks, laboratory and other basic amenities to students. Provide teachers to the schools adopts by the Company
- ❖ To provide Education facility to economically backward people.
- ❖ To provide Computer Training and organize Skill development Program to Students and Teachers.
- ❖ Weblink: [www.shivatex.in](http://www.shivatex.in).

2. Composition of CSR Committee:

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

3. Average net profit of the Company for last 3 financial years : Rs.10,81,78,173
4. Prescribed CSR expenditure : Rs.21,63,563  
(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 : Rs. 8,14,184
  - (b) Amount unspent, if any : Rs.13,49,379

c) Manner in which the amount spent during the financial year is detailed below :

(in ₹)

Sl 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	Swach Bharath initiate CBE Trial Run 2018 - Marathan	Healthcare	Coimbatore	100000	100000	100000	Coimbatore ACME Round Table 133 Trust
2	Kerala State Flood Relief - Water Filtration system 24 nos	Preventive Healthcare	Kerala	60000	60000	60000	Direct
3	Movement against Road Traffic Accident	Road Safety	Coimbatore	200000	200000	200000	Uyir trust Coimbatore
4	Insulin Pump Therapy - 2 poor Children	Health Care and Medical facilities	Coimbatore	295740	295740	295740	Direct
5	Tynor compression stockings to Police Department	Health Care and Medical facilities	Coimbatore	68444	68444	68444	Direct
6	Coimbatore Trail Run Marathan	Health care	Coimbatore	50000	50000	50000	Coimbatore Round Table Trust
7	RAAC ITS Operational	Residents Awareness	Coimbatore	40000	40000	40000	RAAC Coimbatore

#### Reason for not spending

The Company is in the process taking effective steps for identifying the long term infrastructure projects for spending the unspent amount.

#### 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  
29<sup>th</sup> May, 2019

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

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

The information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2019 is given here below and forms part of the Directors' Report.

**A) CONSERVATION OF ENERGY**

(i) Steps taken or impact on conservation of energy;

- ❖ Waste Heat Recovery System Installed in compressor and its hot water feed to YCP Machine.
- ❖ Compressor Air consumption reduction.
- ❖ OHTC fan modification Spinning for 10 Machines.
- ❖ Ring frame machine fan motor closed loop conversion with VFD.
- ❖ Ring frame machine suction fan impeller trimming for 4 Machines.
- ❖ 150W CFL Street light 6 Nos replaced with LED 72 W light.
- ❖ 28W LED Tube conversion from 18W conventional Tub Light.
- ❖ Bale Press silo beater motor delta connection to star connection conversion.
- ❖ Spinning compact suction fans pascal reduction as per requirement level.
- ❖ Ring frame machines main motor over frequency reduced to less than rated Hz.
- ❖ Excess capacitor banks in distribution system to add line reactor for ring frames.

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

During the year under review the Company utilized wind power of 212.62 Lakh units by way of captive consumption

(iii) Capital investment on energy conservation equipment;

During the year the Company has not invested any amount for energy conservation Equipment

**B) TECHNOLOGY ABSORPTION**

i) The efforts made towards technology absorption;

- a. Provision of individual Production and Power online monitoring system in Ring Frame 11 to 44 machines.
- b. Ring Frame Machines suction fan motor speed optimized and controlled by inverter linked with premier ultimo feed back to machines.

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) : NIL
- iv) the Company has incurred an expenditure of Rs. 5.44 lakhs towards Research and Development.

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review foreign exchange earnings were Rs.5740.39 lakhs (previous year Rs.7528.66 lakhs). Foreign exchange outgo was Rs.1833.98 lakhs (previous year Rs.1593.87 lakhs)

Coimbatore  
29<sup>th</sup> May, 2019



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



**ANNEXURE IV**
**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 2018 -19.

Director's Name	Ratio
Sri S K Sundararaman, Managing Director	22.46:1

- ii) The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the Financial year 2018-19 compared to 2017 -18 means part of the year.

Director's Name/CS/CFO	% increase in remuneration
Sri S K Sundararaman, Managing Director	(40.82)
Sri R Srinivasan, Company Secretary	62.58
Sri C Krishnakumar (CFO)	15.12

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

- iii) Percentage increase in the median remuneration of employees in the Financial year 2018-19 7.50%
- iv) Number of permanent employees on the rolls of the Company 1131
- (v) Particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Name (Age in years)	Designation	Gross Remuneration Paid (in ₹)	Qualification	Date of commencement of employment (experience in years)	Previous Employment
1	NAVEEN SODHI - (65)	SENIOR VICE PRESIDENT	3000000	MSC, MPHIL	16.05.2013, 6YRS	INDIAN ARMY
2	SANJAY SINDHU (51)	BUSINESS HEAD (N)	2068129	BCom, CA Inter	01.08.2017, 2YRS	BODY CARE CREATIONS LTD.
3	P BASKAR - (54)	VICE PRESIDENT	1893515	DTT	01.01.1989, 30 YRS	BANNARI AMMAN GROUP
4	RAJESH KUMAR SINGH (41)	HEAD MODERN TRADE SALES	1650943	MBA	02.04.2018, 1 YR	ADITYA BRILLA

Sl. No.	Name (Age in years)	Designation	Gross Remuneration Paid (in ₹)	Qualification	Date of commencement of employment (experience in years)	Previous Employment
5	R SRINIVASAN (45)	COMPANY SECRETARY	1531549	BSc, ACS, BL	18.05.2017, 2 YRS	SHRI RAM CAPITAL LTD
6	K VENURAJAGOPAL (54)	G M HR	1439133	MA,BL	28.08.1991, 28 YRS	BANNARI AMMAN GROUP
7	C KRISHNAKUMAR - (41)	C F O	1359570	MCom, FCA, ACS	01.06.2012, 7 YRS	SABARE INTERNATIONAL LTD
8	AMIT PAUL (48)	SR MANAGER ADMIN	1319839	BSC	06.04.2018 1 YR	INDIAN ARMY
9	S SENGOTTAIYAN (67)	DGM ACCOUNTS	1196513	BA	28.8.1985, 34YRS	TARAPURE & CO, MADRAS
10	L MANESH KUMAR (35)	CHIEF OPERATING OFFICER	1189855	MBA	11.11.2010 9 YRS	GOKAK TEXTILES LTD.

- vi) 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 : 7.5%

The percentile increase granted to managerial personnel : NIL

- vii) 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 : 46  
 Designation : Managing Director  
 Nature of Duties : Manage the day to day affairs of the Company subject to the superintendence and control of the Board of Directors  
 Remuneration (Rs. in lakhs) : 40.32  
 Qualification & Experience (years) : MBA and more than 19 years of experience in Textiles/Business  
 Date of commencement of Employment : 15.5.2006  
 Last employment : Bannari Amman Spinning Mills Limited

Coimbatore  
 29<sup>th</sup> May, 2019

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

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

### BOARD OF DIRECTORS

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

During the financial year, 4 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 28.05.2018, 14.08.2018, 13.11.2018 and 14.02.2019.

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

Details of attendance of each Director at the Board Meetings and at the last Annual General Meeting held on 24.09.2018 :

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

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

\*Sri S V Arumugam resigned from the Board w.e.f 09.11.2018

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

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

The name of the listed entities where the person is a Director and the category of Directorships as per Schedule V Part C of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015.

Sl. No.	Name of the Director	Name of the Listed Entities holding Directorships	Category of Directorship	No. of Shares held
1	Sri S V Alagappan	Shiva Texyarn Ltd	Chairman	32,670
		Shiva Mills Ltd	Chairman & Managing Director	
2	Sri S V Arumugam	Bannari Amman Spinning Mills Ltd	Managing Director	
		Shiva Texyarn Ltd*	Director	-
		Shiva Mills Ltd*	Director	-
3	Sri S V Kandasami	Shiva Texyarn Ltd	Director	1,74,117
4	Sri S K Sundararaman	Shiva Texyarn Ltd	Managing Director	12,060
		Shiva Mills Ltd	Non-Independent Director	
		Pricol Ltd	Independent Director	
		Shanthi Gears Ltd	Independent Director	
5	Smt S Sujana Abirami	Shiva Texyarn Ltd	Women Director	-
6	Sri K N V Ramani	Bannari Amman Spinning Mills Ltd	Independent Director	
		Shiva Texyarn Ltd	Independent Director	-
		Shiva Mills Ltd	Independent Director	
		K.G Denim Ltd	Independent Director	
		K.P.R Mills Ltd	Independent Director	
7	Sri C S K Prabhu	LGB Forge Ltd	Independent Director	
		Super Spinning Mills Ltd	Independent Director	
8	S Palanisami	Shiva Texyarn Ltd	Independent Director	-
		Bannari Amman Spinning Mills Ltd	Independent Director	
		Shiva Mills Ltd	Independent Director	
9	Sri K R Thillainathan	Bannari Amman Spinning Mills Ltd	Independent Director	
		Shiva Mills Ltd	Independent Director	
10	Sri S Marusamy	Shiva Texyarn Ltd	Independent Director	180
		Shiva Mills Ltd	Independent Director	3,869

\*Resigned w.e.f 09.11.2018

### **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. The details are hosted on the Company Website [www.shivatex.in](http://www.shivatex.in).

### **SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS**

(as per Schedule V, Part C of SEBI (Listing Obligations And Disclosure Requirements) Amended, Regulations, 2018)

The Board identifies the following list of core skills /expertise/competencies as required in the context of the Company's business which are available to the members of the Board:

- Sound knowledge on Company's business, policies, vision and mission, strengths, weakness, opportunities and threats of the Company's business operations.
- Optimum level of utilization of skills and expertise for business decisions.
- Operational Strategy, sales, marketing, distribution, corporate governance, general administration, compliance management.
- Financial Management
- Expertise / Professional skills / intellectual inputs in relation to Company's business.

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

During the year under review, none of the Independent Directors were resigned before the expiry of their tenure.

### **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 24.05.2018, 10.08.2018, 10.11.2018 and 11.02.2019 and the attendance of each member is furnished below:

<b>Name of the Member</b>	<b>Category</b>	<b>No. of Meetings Attended</b>
Sri K N V Ramani	Chairman & Independent Director	4
Sri S K Sundararaman	Managing Director	3
Sri C S K Prabhu	Independent Director	3
Sri S Palaniswami	Independent Director	3

The Audit Committee Chairman was present at the last Annual General Meeting, whereas Sri C S K Prabhu represented the Chairman of Audit Committee.

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

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



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

### **NOMINATION AND REMUNERATION COMMITTEE**

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

During the Financial Year the Nomination and Remuneration Committee 2 times on 10.08.2018 and 14.02.2019.

Name of the Directors	Position	No. of Meetings attended
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 Personnel 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.

### **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.

### Meeting of Independent Directors

During the year under review, the Independent Directors met on 14.02.2019 for the following purposes:

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

All the Independent Directors were present at the meeting.

### REMUNERATION OF DIRECTORS

#### Remuneration Policy

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

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

Name	Position	Remuneration Received (in ₹)
Sri S K Sundararaman	Managing Director	40,32,000/-

#### Remuneration paid to Directors:

All the Non-Executive Directors are paid a sitting fee of Rs.10,000/- for each Board Meeting attended by them. The members of Audit Committee are also paid a sitting fee of Rs. 10,000/- for each committee meeting attended by them.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was for/med 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 on 09.04.2018, 05.07.2018, 09.10.2018 and 09.01.2019 and the attendance of each member is furnished below:

The Stakeholders Relationship Committee consists of:

Name	Position	No. of Meetings attended (in ₹)
Sri S Palaniswami	Chairman	4
Sri S V Arumugam*	Member	2
Sri S K Sundararaman**	Member	2
Sri S V Alagappan***	Member	-
Sri S Marusamy***	Member	-

\*Sri S V Arumugam resigned from the Board w.e.f 09.11.2018.

\*\*Sri S K Sundararaman was inducted in the Committee w.e.f. 13.11.2018.

\*\*\*Sri S V Alagappan and Sri S Marusamy was inducted in the Committee w.e.f. 14.02.2019

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

The Company has not received any complaint from the Investors during the year and there was no complaint pending at the beginning of the year for redressal. No share transfer was pending as on 31.03.2019.

#### GENERAL BODY MEETING

Last three Annual General Meetings were held at Nani Kalaiaragam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037 on the following dates and details of Special Resolutions passed are as follows:

AGM	Date & Time	Special Resolutions passed	Voting Pattern
35th	28.09.2016 10.15 A.M.	No Special Resolution was passed	-
36th	25.12.2017 9.15 A.M.	Appointment of Sri S K Sundararaman as Managing Director for a period of 5 years w.e.f 31.08.2017 and payment of remuneration u/s 196,197,198,199 and 203	Total Votes Polled : 97,55,206 Votes Polled for : 97,54,966 Votes against : 240 Neutral : NIL
37th	24.09.2018 10.30 A.M.	1. Continuation of present term of Directorship of Sri S V Alagappan as a Non-Executive Director of the Company who has attained the age of 75 years and whose office is liable to retire by rotation	Total Votes Polled : 96,20,432 Votes Polled for : 96,20,432 Votes against : NIL Neutral : NIL

AGM	Date & Time	Special Resolutions passed	Voting Pattern
		2. Continuation of present term of Directorship of Sri S V Kandasami as a Non-Executive Director of the Company who has attained the age of 75 years and whose office is liable to retire by rotation	Total Votes Polled : 96,20,432 Votes Polled for : 96,20,432 Votes against : NIL Neutral : NIL
		3. Continuation of present term of Directorship of Sri K N V Ramani as a Non-Executive Independent Director who attains the age of 75 years	Total Votes Polled : 96,20,432 Votes Polled for : 96,20,432 Votes against : NIL Neutral : NIL
		4. Continuation of present term of Directorship of Sri S Palaniswami as a Non-Executive Independent Director who attains the age of 75 years during the tenure of his present appointment	Total Votes Polled : 96,20,432 Votes Polled for : 96,20,432 Votes against : NIL Neutral : NIL

As per the procedure laid down under Section 108 of the Companies Act, 2013 the Company conducted e-voting facility and voting at the venue of the meeting.

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

#### **MEANS OF COMMUNICATION**

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 in Business Standard and Makkal Kural respectively. The results were also displayed in Company's website [www.shivatex.in](http://www.shivatex.in). The investor presentations were filed with the Stock Exchanges and also disseminated the same on the website of the Company [www.shivatex.in](http://www.shivatex.in) before presenting the same to the Investors.

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

Day and Date : Monday, 19th August 2019

Time : 11.00 A.M.

Venue : Nani Kalaiarangam  
Mani Higher Secondary  
School  
Pappanaickenpalayam  
Coimbatore - 641 037

### Financial Calendar

Results Announced : 29th May 2019  
Posting of Annual Report : On or before 24th July 2019  
Last date of receipt of Proxy forms : 17th August 2019  
Dividend payment date : On or before 18th  
September 2019  
Announcement of Quarterly Results : i) During the first / second  
week of August,  
November 2019 and  
February and May 2020  
or as stipulated by SEBI  
from time to time.

## NAME AND ADDRESS OF STOCK EXCHANGES AND STOCK CODE

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

### Exchanges

BSE Ltd  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 001

National Stock Exchange of India Limited  
Exchange Plaza" Bandra-Kurla Complex  
Bandra (E) Mumbai 400 051

### Stock Code

511108

SHIVATEX

The Company has paid Annual listing fees for the year 2019 - 20.

## MARKET PRICE DATA

The monthly high and low of the Company's share price quoted in the National Stock Exchange of India Limited / BSE Limited, together with NSE Nifty / BSE Sensex from April 2018 to March 2019 were as follows:

MONTH	SHARE PRICE				NSE - NIFTY		S&P BSE - SENSEX	
	NSE (Rs. Ps.)		BSE (Rs. Ps.)		High	Low	High	Low
	High	Low	High	Low				
April 2018	525.90	452.20	544.00	461.00	9503.60	8933.45	35,213.30	32,972.56
May	527.10	345.00	516.00	350.00	9531.65	9046.70	35,993.53	34,302.89
June	409.00	314.25	404.90	317.00	9423.20	9018.05	35,877.41	34,784.68
July	374.95	293.00	368.00	300.00	9657.60	9060.60	37,644.59	35,106.57
August	379.00	295.00	380.00	292.10	10027.00	9579.70	38,989.65	37,128.99
September	319.50	226.10	329.00	231.25	10049.85	9041.65	38,934.35	35,985.63
October	287.50	205.00	260.00	202.50	9185.50	8370.80	36,616.64	33,291.58
November	249.00	192.50	247.90	191.15	9134.35	8742.50	36,389.22	34,303.38
December	210.00	171.50	209.00	179.95	9258.35	8646.55	36,554.99	34,426.29
January 2019	217.20	175.40	211.00	164.00	9206.05	8825.60	36,701.03	35,375.51
February	195.00	120.90	194.80	125.00	9179.75	8729.70	37,172.18	35,287.16
March	180.00	136.95	185.00	141.10	9667.45	8994.00	38,748.54	35,926.94

Based on the closing quotation of Rs. 166.75 as at 31.03.2019 at National Stock Exchange Of India Limited, Mumbai, the market capitalization of the Company was Rs. 216.15 Crores.

#### REGISTRAR TO AN ISSUE SHARE TRANSFER AGENTS

M/s. S K D C Consultants Ltd  
 Kanapathy Towers, 3rd Floor  
 1391/A-1, Sathy Road, Ganapathy  
 Coimbatore - 641 006

Telephone : 0422 6549995, 2539835 - 836

Fax : 0422 2539837

E-mail : info@skdc-consultants.com

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

#### SHARE TRANSFER SYSTEM

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

**CATEGORY OF EQUITY SHARE HOLDING AS ON 31.3.2019**

Sl.No.	Category	No.of shareholders	No.of shares held	% to paid up capital
1	Promoter's Holding	9	9592467	74.000
2	Banks/FIs/Mutual Funds	3	720	0.006
3	Private Corporate Bodies	86	70003	0.540
4	Indian Public	7195	2934845	22.641
5	NRI/OCBs	290	251459	1.940
6	IEPF	1	113219	0.873
	<b>TOTAL</b>	<b>7584</b>	<b>12962713</b>	<b>100.000</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2019**

Shareholding (Range)	No. of Holders	% of Holders	No.of shares	% of shares
1 - 500	6312	83.23	866208	6.68
501 - 1000	716	9.44	493331	3.81
1001 - 2000	340	4.48	471223	3.64
2001 - 3000	82	1.08	204923	1.58
3001 - 4000	39	0.51	134545	1.04
4001 - 5000	15	0.20	66861	0.52
5001 - 10000	47	0.62	327744	2.53
10001 AND ABOVE	33	0.44	10397878	80.20
<b>Total</b>	<b>7584</b>	<b>100.00</b>	<b>12962713</b>	<b>100.00</b>

**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 31-03-2019, 97.20% of the shares of the Company have been dematerialized. ISIN allotted to our company is INE705C01020. The whole of the Promoters Shareholding has been dematerialised.

**OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS**

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



**LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD**

As per para 3(t)(ii) and Para 3(x)(c)(ii) of SEBI (Listing Obligations and Disclosure Requirement), Amended Regulations, 2018, CARE Ratings Ltd has issued the Credit Rating for bank facilities on the basis of recent developments including operational and financial performance of the Company for FY18 (audited) and Q1FY19 (provisional) the Rating Committee has reviewed the following ratings.

Facilities	Amount (Rs.Crore)	Rating	Rating Action
Long-term Bank Facilities	145.90 (enhanced from 129.38)	CARE BBB; Stable (Triple B; Outlook:Stable)	Reaffirmed
Short-term Bank Facilities	50.00 (enhanced from 35.00)	CARE A3+ (A Three Plus)	Reaffirmed
Long / Short Term Bank Facilities	70.00 (enhanced from 55.00)	CARE BBB; Stable/CARE A3+ (Triple B; Outlook:Stable/ A Three Plus)	Reaffirmed
TOTAL	265.90	(Rupees: Two Hundred Sixty Five Crore and Ninety Lakhs Only)	

**OTHER DISCLOSURES**

- The Company has not entered into any transaction of a material nature with the related parties having potential conflict with the interest of the Company.
- There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.
- The Company has a Whistle Blower Policy in place and no personnel has been denied access to the Audit Committee relating to Whistle Blower Policy and
- The Company has complied with all the mandatory requirements of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of Non-mandatory requirements the company has complied all the conditions except the suggestion relating to appointment of separate persons to the post of Chairman and Managing Director/CEO.
- 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 web link: [www.shivatex.in](http://www.shivatex.in).
- During the year under review the Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A).
- A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is enclosed in the annexure forming part of Report on Corporate Governance.
- During the year under review the board has accepted the recommendations of all committees of the board which is mandatorily required.
- Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are as follows.

<b>Payment to Statutory Auditors</b>	<b>2018-19 (Amount in Rs.)</b>
Audit Fees	10,00,000
Tax Audit Fees	-
Other Services	-
Reimbursement of Services	-

- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a.	number of complaints filed during the financial year	NIL
b.	number of complaints disposed of during the financial year	NIL
c.	number of complaints pending as on end of the financial year	NIL

- The Company has complied with all the applicable requirements of corporate governance.
- The Company has accepted discretionary requirement as specified in Part E of Schedule II to the extent wherever required, i.e the internal auditor is reporting directly reporting to the Audit Committee.

#### **CODE OF CONDUCT**

The Company has adopted the Code of conduct for all Board Members and Senior Management as required under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code is posted on the Company's website at [www.shivatex.in](http://www.shivatex.in). All Board Members and Senior Management Personnel have affirmed compliance with the code on an annual basis and a declaration to this effect signed by the Chairman is attached to this report.

#### **DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT**

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

<b>Unclaimed Shares</b>	<b>No. of Shareholders</b>	<b>No. of shares</b>
Outstanding at the beginning of the year	3	540
Approached for transfer during the year	Nil	Nil
Transferred to IEPF Account during the year	1	180
Balance at the end of the year	2	360

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

### FRACTIONAL SHARES

The details of unclaimed fractional shares post the implementation of the scheme of arrangement entered between Shiva Texyarn Ltd and Shiva Mills Ltd are as follows:

No. of Shareholders	No. of Fractional Shares	Amount in (Rs)
7	3.00	1840

The details are available in the website of the Company [www.shivatex.in](http://www.shivatex.in).

### PLANT LOCATION

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

Bag Unit	Knitting Unit	Garment Division
D.No. 1/667, K.P. Mahal Chinna Iyyan Kovil Privu Somanur Road Ichipatti Village Palladam TK Tirupur-641 668	Kodangipalayam Village Karadivavi Road Paruvai Post Coimbatore Dt Tamilnadu 641 658	S.F. No. 371/5, Karadivavi Road Paruvai Post, Karanampet Palladam 641 658

	Windmills	
Mundavelampatti Village Erode District Tamil Nadu	Gudimangalam Athukinathupatti & Uthukuli Villages Coimbatore District Tamil Nadu	Vagatholuvu Kongalnagaram Virugalpatti Tirupur District, Tamil Nadu

### 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.



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of

SHIVA TEXYARN LIMITED

CIN: L65921TZ1980PLC000945

Registered office: 252, Mettupalayam Road, Coimbatore-641043.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SHIVA TEXYARN LIMITED having CIN: L65921TZ1980PLC000945 and having registered office at 252, Mettupalayam Road, Coimbatore-641043 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

Place : Coimbatore

Date : 29-05-2019

Signature

CS. R Dhanasekaran

Company Secretary in Practice

Membership No.: 7070

CP No.: 7745

## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY'S BUSINESS

The Company engaged in the business of manufacturing and marketing of Cotton Yarn and other value-added textiles products viz. Coated and Laminated fabrics, Home Textiles and Back bags. The Company have a spinning unit near Coimbatore with an installed capacity of 52416 spindles, Lamination, Coating, Bag and Garment units near Coimbatore, Processing unit at SIPCOT, Perundurai for dyeing/printing activities and 58 Windmills with an installed capacity of 18.145 MW of power.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian textile industry, is estimated at around USD 150 billion as of July 2017, is expected to reach USD 250 billion by 2020. The Indian textile industry contributes approximately 4% to India's Gross Domestic Products(GDP), 10% of manufacturing production and 14% to overall index of industrial Production(IIP). India has second largest textiles manufacturing capacity globally accounting for 18% of world spindles 9% has a share of 5% in global textiles and apparent trade the textile industry. Is the second largest source of employment generation source in the country employing about 51 million people directly and 68 million people indirectly. Globally, the technical textiles contributes to about 27% of the world textile industry in some of the western countries it share is even 50% while in India its 11%. Thus the growth and all round development in this industry as a direct bearing on the improvement of the economy of the country.

### OPPORTUNITIES

India is more cost competitive than China and Brazil across a range of materials. India also has a diverse supply of raw materials, 23 varieties of cotton and all four varieties of silk. This Inherent strength in availability of raw materials insulates the market from any supply - Side shocks. Labor costs in India continue to be significantly low as compared to other countries. This factor provides a significant advantage a textile industry in India, in terms of increased productivity at lower cost. With government support and new technological advancement there is huge scope for exports in the ever increasing demand of technical textile industry globally.

Strong raw material base, economized cost of production, supporting government policies like TUF scheme, Scheme for integrated textile parks, integrated processing development scheme for sanctioning processing parts and integrated skill development scheme and recognition Indian goods of international markets provide excellent opportunity for India to increase its share in world trade.

### OUTLOOK

India's textile industry is an attractive sector that is poised for growth. The industry enjoys significant strengths and advantages, such as availability of raw material, labor, domestic market and supportive government policies. The industry is also under growing transformation, with an increasing no of MNCs establishing their presents to leverage India's potential. The outlook for Indian textile industry remains optimistic, as demand is expected to pick up on account of improving economic sentiments in both domestic and exports markets.

### RISKS AND CONCERNS

Availability of Cotton, the main raw material for manufacture of Cotton Yarn, is subject to the vagaries of nature and the prices also fluctuate wildly based on supply/demand in the World market and Government policy on export of Cotton.

Availability of Labor, competition from countries having preferential trade agreement with developed economies are some of the risks faced by the textile industry.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

#### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

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

Material Developments in Human Resources / Industrial Relations front, including number of people employed

Details of significant changes (i.e change of 25% or more as compared to the immediately previous financial year) in key financial ratios and network.

<b>S. No.</b>	<b>Ratio</b>	<b>2018-19</b>	<b>2017-2018</b>	<b>Change (%) exceeding 25%</b>	<b>Reasons for Change</b>
1	Debtor Turnover	14%	11.38%	NA	–
2	Inventory Turnover	23%	18.60%	NA	–
3	Interest coverage ratio	1.99	2.39	NA	–
4	Current Ratio	0.99	0.89	NA	–
5	Debt Equity Ratio	0.69	0.67	NA	–
6	Operating Profit Margin %	12%	12.82%	NA	–
7	Net profit Margin %	1.81%	3.18%	43%	Due to high raw material cost and operating costs
8	Net worth (Rs. Lakhs)	11199.73	10810.42	NA	–

Coimbatore  
29<sup>th</sup> May, 2019

By Order of the Board  
**S V ALAGAPPAN**  
**MANAGING DIRECTOR**

## DECLARATION ON CODE OF CONDUCT

To  
The Members  
Shiva Texyarn Limited

In compliance with the requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchanges, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.03.2019.

Coimbatore  
29<sup>th</sup> May, 2019

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

## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Shiva Texyarn Limited  
(CIN: L65921TZ1980PLC000945)

I have examined the compliance of conditions of Corporate Governance by Shiva Texyarn Limited ('the company'), for the year ended on 31<sup>st</sup> March, 2019 as referred in Regulation 15(2) of the Securities Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

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

Coimbatore  
29<sup>th</sup> May, 2019

**CS. R. Dhanasekaran**  
Company Secretary in Practice  
FCS 7070  
CP 7745



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Shiva Texyarn Limited  
Coimbatore

### Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of Shiva Texyarn Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

### Auditors' Responsibility

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

In conducting 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 thereunder and the Order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditors' Response
1.	<p><b>Management's estimate on identification, Measurement and Recognition of intangible assets in relation to the new products developed during the year by the Company and its related impairment.</b></p> <p>Management's identification of costs related to new products developed, capitalised during the year and managements estimate on future cash flows from such new products as it involves high use of estimates, judgment and the consideration of future events.</p>	<p><b>Principal audit procedures performed:</b></p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to identification of costs related to new products developed</li> <li>• Selected samples and tested the operating effectiveness of the internal control relating to identification of costs related to new products developed</li> <li>• Evaluated the design of internal controls relating to test of impairment of capitalised costs of new products developed</li> <li>• Traced the costs related to new product development to the underlying ledgers / statements / listing.</li> <li>• For the samples selected verified the approvals for costs and tested the purposes by tracing the approvals for such development.</li> <li>• Verified the achievements of milestones and with customer acceptances of such new products.</li> <li>• Tested the management estimate of cashflow from the new products developed.</li> </ul>

#### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements

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

iii. There has been no delays in transferring amounts to Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Regn. No. 117366W/W - 100018)

Coimbatore  
29<sup>th</sup> May, 2019

**C.R. Rajagopal**  
Partner  
(Membership No.23418)

## **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph F under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shiva Teyarn Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide



reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Regn. No. 117366W/W - 100018)

Coimbatore  
29<sup>th</sup> May, 2019

**C.R. Rajagopal**  
Partner  
(Membership No.23418)



**ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under **“Report on Other Legal and Regulatory Requirements”** section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for loans are held in the name of the company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence compliance with the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended with regard to the deposits accepted is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for Textile. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2019 on account of disputes
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures and have not made any borrowings from financial institutions.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-1 A of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Regn. No. 117366W/W - 100018)

Coimbatore  
29<sup>th</sup> May, 2019

**C.R. Rajagopal**  
Partner  
(Membership No.23418)

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2019**

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Note No.	As at March 31, 2019	As at April 1, 2018
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3A	20,053.88	20,866.57
(b) Intangible assets	3B	67.62	36.00
(c) intangible assets under development	3B	335.70	127.05
(d) Investment property	4.1	3.23	3.30
(e) Financial Assets			
(i) Investments	4.2	65.83	68.61
(f) Other non-current assets	5	2,503.23	2,429.34
<b>Total Non - Current Assets</b>		<b>23,029.49</b>	<b>23530.87</b>
<b>2 Current assets</b>			
(a) Inventories	6	8,043.00	6675.04
(b) Financial Assets	7		
(i) Trade receivables	7.1	4,993.74	4083.77
(ii) Cash and cash equivalents	7.2	1,177.57	886.33
(iii) Loans	7.3	110.39	102.08
(iv) Other financial assets	7.4	159.63	193.32
(c) Other assets	8	834.66	600.12
<b>Total Current Assets</b>		<b>15,318.99</b>	<b>12540.66</b>
<b>Total Assets (1+2)</b>		<b>38,348.48</b>	<b>36071.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	9	1296.27	1296.27
(b) Other Equity	10	9,903.46	9,514.15
<b>Total equity</b>		<b>11,199.73</b>	<b>10810.42</b>
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	7,756.45	7221.34
(b) Provisions	12	59.46	9.30
(c) Deferred tax liabilities (net)	12.1	3,913.34	3946.08
<b>Total Non - Current Liabilities</b>		<b>11,729.25</b>	<b>11176.72</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities	13		
(i) Borrowings	13.1	9,745.61	8161.84
(ii) Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	13.2	37.00	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	13.2	2838.21	2721.44
(iii) Other financial liabilities	13.3	2,617.77	2954.38
(b) Provisions	14	-	66.71
(c) Other current liabilities	15	180.91	180.02
<b>Total Current Liabilities</b>		<b>15,419.50</b>	<b>14084.39</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>38,348.48</b>	<b>36071.53</b>
<b>See accompanying notes to the financial statements</b>			

 Subject to our report of even date attached  
**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**C.R. Rajagopal**

Partner

Membership No. 23418

Coimbatore

 29<sup>th</sup> May, 2019

For and on behalf of the Board of Directors

**S V Alagappan**

Chairman

DIN : 00002450

**C Krishnakumar**

Chief Financial Officer

**S K Sundararaman**

Managing Director

DIN : 00002691

**R Srinivasan**

Company Secretary

ACS No. 21254

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
<b>I</b> Revenue from operations	16	35,353.22	35,879.60
<b>II</b> Other Income	17	113.00	256.47
<b>III Total Revenue (I + II)</b>		<b>35,466.22</b>	<b>36,136.07</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	18 A	22,366.29	21,520.40
(b) Purchase of traded goods	18 B	217.87	97.53
(c) Changes in stock of finished goods, work-in-progress and stock in trade	19	(1,415.05)	(720.00)
(d) Employee benefit expense	20	4,182.35	4,119.68
(e) Finance costs	21	2,165.31	1,927.62
(f) Depreciation and amortisation expense	3C	1,336.21	1,343.64
(g) Other expenses	22	5,812.75	6,382.43
<b>Total Expenses</b>		<b>34,665.73</b>	<b>34,671.30</b>
<b>V Profit before tax (III - IV)</b>		<b>800.49</b>	<b>1,464.77</b>
<b>VI Tax Expense</b>			
(1) Current tax		162.94	345.00
(2) Deferred tax		(32.74)	(12.53)
<b>Total tax expense</b>		<b>130.20</b>	<b>332.47</b>
<b>VII Profit/(Loss) for the year (V - VI)</b>		<b>670.29</b>	<b>1,132.30</b>
<b>VIII Other comprehensive income/(loss)</b>		<b>(30.93)</b>	<b>9.97</b>
A (i) Items that will not be recycled to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		(27.78)	(1.62)
(b) Equity instruments through other comprehensive income		(3.15)	11.03
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	0.56
B (i) Items that may be reclassified to profit or loss		-	-
<b>IX Total comprehensive income/(Loss) for the year (VII + VIII)</b>		<b>639.36</b>	<b>1142.27</b>
<b>X Earnings/(loss) per equity share:</b>	<b>28</b>		
(1) Basic		5.17	8.74
(2) Diluted		5.17	8.74
<b>See accompanying notes to the financial statements</b>			

 Subject to our report of even date attached  
**For Deloitte Haskins & Sells LLP**

 Chartered Accountants  
**C.R. Rajagopal**  
 Partner  
 Membership No. 23418

 Coimbatore  
 29<sup>th</sup> May, 2019

For and on behalf of the Board of Directors

**S V Alagappan**  
 Chairman  
 DIN : 00002450

**C Krishnakumar**  
 Chief Financial Officer

**S K Sundararaman**  
 Managing Director  
 DIN : 00002691

**R Srinivasan**  
 Company Secretary  
 ACS No. 21254

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019**

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit for the year		800.49		1464.77
<b>Adjustments for:</b>				
Depreciation and amortisation expenses	1,336.21		1,343.64	
(Profit) / loss on sale / write off of assets	34.90		3.08	
(Profit) / loss on sale of investment property			(136.00)	
Provision/(Reversal of provision) for diminution in value of investments	3.15		(1.51)	
Finance costs	2,165.31		1,927.62	
Interest income	(50.17)		(36.28)	
Dividend income	(1.31)		(2.52)	
Bad debts recovered	(29.43)		(6.93)	
Allowance for/(reversal of) doubtful trade receivables and advances			8.44	
Rental income	(75.62)		(81.25)	
		3,383.04		3,018.29
Operating profit / (loss) before working capital changes		4,183.53		4,483.06
<b>Changes in working capital:</b>				
Adjustments for (increase) / decrease in operating assets:				
<b>Financial Assets</b>				
Trade receivables	(880.55)		(453.38)	
Loans	(8.29)		63.84	
Other financial assets	32.83		(16.69)	
Margin money deposits	(242.53)		(263.83)	
<b>Non-financial assets</b>				
Inventories	(1,367.99)		(269.14)	
Other assets	(261.08)		(101.54)	
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
<b>Financial liabilities</b>				
Trade payables	153.77		(1,017.56)	
Other financial liabilities	(158.51)		(47.58)	
<b>Non-financial liabilities</b>				
Provisions	(44.31)		(92.14)	
Other liabilities	0.84		(220.26)	
		(2,775.80)		(2,418.31)
Cash generated from operations		1,407.73		2,064.75
Net income tax (paid) / refunded		(221.81)		(359.20)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>1,185.92</b>		<b>1,705.55</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure on property plant and equipment, including capital advances	(838.08)		(1,198.12)	
Sale/(Purchase) of other investments	(3.51)		(0.92)	
Proceeds from sale of fixed assets	29.21		11.18	
Proceeds from sale of investment property	-		140.00	
Interest received	51.04		33.84	
Rent received	75.62		81.25	
Dividend received	1.31		2.52	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(684.41)</b>		<b>(930.25)</b>

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019 (Contd...)**

Amount in Rupees Lakhs except shares data or as otherwise stated

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from non-current borrowings	3,142.78		3995.22	
Repayment of non-current borrowings	(2,752.14)		(3401.29)	
Increase / (decrease) in working capital borrowings	1,583.79		830.10	
Payment of dividend including tax thereon	(250.04)		(249.62)	
Finance costs paid	(2,175.64)		(1899.75)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(451.25)</b>		<b>(725.36)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>50.26</b>		<b>49.94</b>
Add: Cash and cash equivalents at the beginning of the year		393.86		343.90
<b>Cash and cash equivalents at the end of the year *</b>		<b>444.12</b>		<b>393.84</b>
<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 7.2)		1,177.57		886.33
Less: Bank balances not considered as cash and cash equivalents, as defined in Ind AS 7 Cash Flow Statements:				
(i) In earmarked accounts				
- Margin money deposits		(705.80)		(463.27)
- Unpaid dividends account		(27.65)		(29.22)
<b>Cash and cash equivalents as per Cash Flow Statement</b>		<b>444.12</b>		<b>393.84</b>
* Comprises:				
(a) Cash on hand		10.53		7.66
(b) Cheques/Drafts on Hand		2.00		1.00
(c) Balances with banks:				
(i) In current accounts		431.59		385.18
(ii) In deposit accounts		-		-
<b>Total</b>		<b>444.12</b>		<b>393.84</b>
<b>See accompanying notes to the financial statements</b>				

Subject to our report of even date attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**C.R. Rajagopal**

Partner

Membership No. 23418

Coimbatore

 29<sup>th</sup> May, 2019

For and on behalf of the Board of Directors

**S V Alagappan**

Chairman

DIN : 00002450

**C Krishnakumar**

Chief Financial Officer

**S K Sundararaman**

Managing Director

DIN : 00002691

**R Srinivasan**

Company Secretary

ACS No. 21254



**Statement of changes in equity for the year ended March 31, 2019**

Amount in Rupees Lakhs except shares data or as otherwise stated

<b>a) Equity share capital</b>	<b>Amount</b>
Balance as at April 1, 2017	2,160.45
Demerger adjustment	(864.18)
<b>Balance as at March 31, 2018</b>	<b>1,296.27</b>
Balance as at April 1, 2018	1,296.27
<b>Balance as at March 31, 2019</b>	<b>1,296.27</b>

**b) Other equity**

Particulars	Securities premium account	General reserve	Retained earnings / (deficit)		Items of Other Comprehensive Income		Total other equity
			Retained earnings / (deficit)	Remeasurements of the defined benefit liabilities/ (asset) net of tax	Equity instruments through other comprehensive income	Other items of other comprehensive income	
<b>Balance as at April 1, 2017</b>	<b>2,243.01</b>	<b>10,355.72</b>	<b>1,527.26</b>	<b>(4.90)</b>	<b>10.01</b>		<b>14,131.11</b>
Profit/(loss) for the year		-	1,132.30				1,132.30
Transfer to General Reserve		-	-				-
Demerger adjustment		(5,504.60)					(5,504.60)
Cash Dividends			(207.40)				(207.40)
Dividend Distribution tax			(42.22)				(42.22)
Investment writeoff			(5.00)				(5.00)
Other comprehensive income (net of taxes)					11.03	(1.06)	9.97
<b>Balance as at March 31, 2018</b>	<b>2,243.01</b>	<b>4,851.12</b>	<b>2,404.94</b>	<b>(4.90)</b>	<b>21.05</b>	<b>(1.06)</b>	<b>9,514.15</b>
<b>Balance as at April 1, 2018</b>	<b>2,243.01</b>	<b>4,851.12</b>	<b>2,404.94</b>	<b>(4.90)</b>	<b>21.05</b>	<b>(1.06)</b>	<b>9,514.15</b>
Profit/(loss) for the year			670.29				670.29
Cash Dividends [Refer Note 9 (iii)]			(207.40)				(207.40)
Dividend Distribution tax [Refer Note 9 (iii)]			(42.63)				(42.63)
Other comprehensive income (net of taxes)						(30.93)	(30.93)
<b>Balance at the March 31, 2019</b>	<b>2,243.01</b>	<b>4,851.12</b>	<b>2,825.20</b>	<b>(4.90)</b>	<b>21.05</b>	<b>(31.99)</b>	<b>9,903.46</b>

 Subject to our report of even date attached  
**For Deloitte Haskins & Sells LLP**

 Chartered Accountants  
**C.R. Rajagopal**  
 Partner  
 Membership No. 23418

 Coimbatore  
 29<sup>th</sup> May, 2019

For and on behalf of the Board of Directors

**S V Alagappan**  
 Chairman  
 DIN : 00002450

**C Krishnakumar**  
 Chief Financial Officer

**S K Sundararaman**  
 Managing Director  
 DIN : 00002691

**R Srinivasan**  
 Company Secretary  
 ACS No. 21254

**Notes forming part of financial statements**

**Amount in Rupees Lakhs except shares data or as otherwise stated**

Note No.	Particulars
1.	<p><b>Corporate Information</b></p> <p>Shiva Texyarn Limited (“the Company”) engaged in the manufacturing of cotton yarn and technical textile products like coated and laminated fabrics, home textile and other value added products. The Company was incorporated in the year 1980 and has its registered office and factory in Coimbatore.</p>
2.	<p><b>Significant Accounting Policies</b></p> <p>This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.</p>
2.1	<p><b>Basis of accounting and preparation of financial statements</b></p> <p><b>(i) Compliance with Ind AS</b></p> <p>The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to year ended March 31 2019 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the second financial statements of the company under Ind AS. Refer note 34 for an explanation of how the transition from previous GAAP to Ind AS has affected the company’s financial position, financial performance and cash flows.</p> <p><b>(ii) Historical cost convention</b></p> <p>The financial statements have been prepared on a historical cost basis, except for the following:</p> <ul style="list-style-type: none"> <li>(a) certain financial assets and liabilities that are measured at fair value and</li> <li>(b) defined benefit plans – plan assets measured at fair value</li> </ul>
2.2	<p><b>Segment reporting</b></p> <p>Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker.</p>
2.2	<p><b>Use of estimates</b></p> <p>In the application of the Company’s accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.</p> <p>The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.</p> <p>The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.</p>

Note No.	Particulars
	<p><b>a Impairment of investments :</b> The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.</p> <p><b>b Useful lives of property, plant and equipment :</b> The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.</p> <p><b>c Employee Benefits :</b> The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.</p>
<b>2.3</b>	<p><b>Inventories</b></p> <p>Inventories are valued at lower of cost and net realisable value. Cost of raw materials, Packing materials, Stores and Spares and consumables are valued at Cost on weighted average cost basis. Value of finished goods and work-in-progress are determined on weighted average cost basis and include appropriate share of overheads.</p>
<b>2.4</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents comprise cash on hand and demand deposits with banks other than deposits pledged with government authorities and margin money deposits.</p> <p>Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.</p>
<b>2.5</b>	<p><b>Cash flow statement</b></p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
<b>2.6</b>	<p><b>Income Tax</b></p> <p><b>a) Current tax</b></p> <p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted and are applicable as at the end of the reporting period. In the absence of adequate taxable profits, the Company is required to pay Minimum Alternate Tax (MAT) on the book profits, as adjusted for certain provisions.</p> <p><b>b) Deferred tax</b></p> <p>Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.</p>

Note No.	Particulars
2.7	<p>MAT paid in accordance with the tax laws, if any, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company.</p> <p>The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.</p> <p>Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.</p> <p>The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.</p> <p><b>c) Current and deferred tax for the year</b></p> <p>Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.</p> <p><b>Property plant and equipment</b></p> <p><b>Cost</b></p> <p>The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.</p> <p>An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.</p> <p>Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.</p> <p>Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.</p> <p>Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.</p> <p><b>Deemed Cost</b></p> <p>The Company has elected to continue with the carrying value of all the property, Plant and equipment recognised as of April, 1 2016 measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.</p>

Note No.	Particulars
	<p><b>Capital work-in-progress:</b></p> <p>Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost , comprising direct cost and related incidental expenses.</p> <p>Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013</p> <p>The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.</p> <p>For the purpose of transition to Ind AS, the Company has elected to restate the carrying value of property, plant and equipment in accordance with Ind AS, as of April 01, 2017 as its deemed cost as of the transition date.</p> <p><b>2.8 Leases</b></p> <p><b>a Where the Company is Lessee:</b></p> <p>Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.</p> <p>Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals for non-cancellable leases are recognised in the Statement of Profit and Loss on a straight-line basis over the period of lease where the lease payments are structured to increase in line with expected general inflation.</p> <p><b>b Where the Company is Lessor:</b></p> <p>Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.</p> <p><b>2.9 Revenue recognition</b></p> <p>Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.</p> <p>However, Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.</p> <p><b>a Sale of Goods and Services:</b></p> <p>Revenue from sale of goods is recognised when control of the goods is transferred to the Customers. The normal credit term is 30 to 120 days from the invoice date. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.</p> <p><b>b Sale of services</b></p> <p>The Company recognises revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured.</p>

Note No.	Particulars
	<p><b>c Other operating revenue</b></p> <ul style="list-style-type: none"> <li>- Income incidental to exports such as income from import entitlement and premium on sale of such entitlement are recognised when there is a reasonability of collection</li> <li>- 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.</li> </ul>
<b>2.10</b>	<p><b>Other income</b></p> <p><b>Interest</b></p> <p>Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.</p> <p><b>Dividend</b></p> <p>Dividend Income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably).</p>
<b>2.11</b>	<p><b>Employee benefits</b></p> <p>Employee benefits include provident fund, employee state insurance, gratuity fund and compensated absences.</p> <p><b>a. Retirement benefit costs and termination benefits</b></p> <p>Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions.</p> <p>For defined benefit Retirement Benefit Plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.</p> <p><b>b. Defined benefit costs are categorised as follows:</b></p> <ul style="list-style-type: none"> <li>- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);</li> <li>- net interest expense or income; and</li> <li>- remeasurement</li> </ul> <p>For defined benefit plan, in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. The gratuity fund is maintained with Life Insurance Corporation of India.</p>

Note No.	Particulars
	<p>The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.</p> <p>The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.</p> <p>A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.</p> <p><b>Short-term and other long term employee benefits</b></p> <p>A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.</p> <p>Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.</p> <p>Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.</p>
<b>2.12</b>	<p><b>Foreign currency transactions and translations</b></p> <p><b>(i) Functional and presentation currency</b></p> <p>Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.</p> <p><b>(ii) Transactions and balances</b></p> <p>Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.</p> <p>Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).</p>
<b>2.13</b>	<p><b>Borrowings and Borrowing cost</b></p> <p>Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.</p> <p>Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.</p> <p>Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.</p>



Note No.	Particulars
<b>2.14</b>	<p><b>Earnings per share</b></p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.</p>
<b>2.15</b>	<p><b>Provisions and contingencies</b></p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.</p>
<b>2.16</b>	<p><b>Financial Instruments</b></p> <p>All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs.</p> <p>For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL.</p> <p>The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.</p> <p><b>1) Non-derivative financial assets</b></p> <p><b>(i) Financial assets at amortised cost</b></p> <p>A financial asset shall be measured at amortised cost if both of the following conditions are met:</p> <ul style="list-style-type: none"> <li>(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and</li> <li>(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.</li> </ul> <p>They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.</p> <p>The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.</p> <p>Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.</p>

Note No.	Particulars
	<p>Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other Income” line item.</p> <p><b>2) Equity instruments at FVTOCI</b></p> <p>All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.</p> <p>If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.</p> <p><b>3) Financial assets at FVTPL</b></p> <p>FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.</p> <p>In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.</p> <p>Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.</p> <p><b>4) Derecognition of financial assets</b></p> <p>The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.</p> <p>On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.</p> <p>On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.</p>

Note No.	Particulars
2.17	<p><b>b) Non-derivative financial liabilities</b></p> <p><b>(i) Financial liabilities at amortised cost</b>                      Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.</p> <p><b>(ii) Financial liabilities at FVTPL</b>                      Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance costs' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.</p> <p>For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.</p> <p><b>(iii) Derecognition of non-derivative financial liabilities</b>                      The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.</p> <p><b>Impairment</b></p> <p><b>(a) Financial Assets</b>                      In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.</p> <p>Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.</p> <p>ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:</p> <p>i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.</p>

Note No.	Particulars
	<p>(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. As practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.</p> <p>ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:</p> <p>Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.</p> <p><b>(b) Non-financial assets</b></p> <p>The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.</p> <p>An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.</p> <p>The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").</p> <p><b>2.18 Government grants</b></p> <p>Grants from the government are recognised when there is reasonable assurance that:</p> <p>(i) the Company will comply with the conditions attached to them; and</p> <p>(ii) the grant will be received.</p> <p>Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.</p> <p>Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable marketrate, the effect of this favourable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.</p> <p><b>2.19 Operating cycle</b></p> <p>Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.</p>



**Non-Current Assets**
**4.1 Investment in property**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amounts of :		
Land	0.76	0.76
Building	2.47	2.54
	<b>3.23</b>	<b>3.30</b>

**Investment Property**

Particulars	Land	Building
<b>Deemed cost as at 1 April 2018</b>	<b>0.76</b>	<b>2.68</b>
Additions	-	-
Disposals	-	-
Gross block as at 31 March 2018	0.76	2.68
<b>DEPRECIATION</b>		
Depreciation / amortisation expense for the year	-	0.19
Eliminated on disposal of assets	-	0.14
Accumulated depreciation as at 31 March 2018	-	0.32
<b>Net block as at 31 March 2018</b>	<b>0.76</b>	<b>2.54</b>
<b>Gross block as at 1 April 2019</b>	<b>0.76</b>	<b>2.68</b>
Additions	-	-
Disposals	-	-
Gross block as at 31 March 2019	0.76	2.68
<b>DEPRECIATION</b>		
Opening accumulated depreciation	-	0.14
Depreciation / amortisation expense for the year	-	0.07
Eliminated on disposal of assets	-	-
Accumulated depreciation as at 31 March 2019	-	0.21
<b>Net block as at 31 March 2019</b>	<b>0.76</b>	<b>2.47</b>

**4.2 Investments**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>I. Quoted Investments (fully paid)</b>		
<b>Investments in Equity Instruments - Others</b>		
i) 1000 (As at March 31, 2018 1000,) Equity Shares of Rs.10/- each in Arvind Liquid Gases Limited.	0.41	0.41
ii) 20,000 (As at March 31, 2018 20,000,) Equity Shares of Rs.10/- each in Dyna Lamps & Glass Works Ltd.	2.00	2.00
iii) 17,500 (As at March 31, 2018 17,500) Equity Shares of Rs.10/- each in Eastern Sugars & Industries Ltd	0.19	-
iv) 100 (As at March 31, 2018 100) Equity Shares of Rs.10/- each in Hindalco Industries Ltd	0.21	0.04
v) 8,057 (As at March 31, 2018 20) Equity Shares of Rs.10/- each in ICICI Bank	32.27	20.59
vi) 640 (As at March 31, 2018 640) Equity Shares of Rs.10/- each in IDBI Bank	0.30	0.47
vii) 14,100 (As at March 31, 2018 14,100) Equity Shares of Rs.10/- each in IFCI Limited	1.95	3.18
viii) 5,000 (As at March 31, 2018 5,000) Equity Shares of Rs.10/- each in KG Denim Limited	2.45	2.34
ix) 13,000 (As at March 31, 2018 13,000) Equity Shares of Rs.10/- each in NEPC India Limited	0.18	0.07
x) 3,030 (As at March 31, 2018 3,030) Equity Shares of Rs.10/- each in Ponni Sugars & Chemicals Ltd	0.30	0.40
xi) 30,000 (As at March 31, 2018 30,000) Equity Shares of Rs.10/- each in Shree Karthik Papers Ltd	2.98	4.80
xii) 500 (As at March 31, 2018 500) Equity Shares of Rs.10/- each in State bank of India	1.60	1.26
xiii) 1,000 (As at March 31, 2018 1,000) Equity Shares of Rs.10/- each in Steel Authority of India Ltd	0.54	0.71
xiv) 5,430 (As at March 31, 2018 5,430) Equity Shares of Rs.10/- each in Sesa Sterlite Ltd (Vedanta Ltd)	10.02	15.32
xv) 2,300 (As at March 31, 2018 2,300) Equity Shares of Rs.10/- each in Super Sales Agencies Ltd	9.47	14.41
xvi) 1,000 (As at March 31, 2018 1,000) Equity Shares of Rs.10/- each in Telephone Cables Ltd	0.02	1.34
xvii) 500 (As at March 31, 2018 500) Equity Shares of Rs.10/- each in VGP Finance Ltd	0.05	0.05
xviii) 700 (As at March 31, 2018 700) Equity Shares of Rs.10/- each in Sterlite Technologies Ltd	1.53	2.20
<b>Total Quoted Investments</b>	<b>66.45</b>	<b>69.59</b>



**(Rs. in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>II. Unquoted Investments (fully paid)</b>		
<b>Investments in Equity Instruments - Others</b>		
1. 1000 (As at March 31, 2018 100) Equity shares of Arun Fuels Limited of Rs.10 each	0.10	0.10
2. 100 (As at March 31, 2018 100) Equity shares of The Catholic Syrian Bank Ltd of Rs.10 each	3.20	3.20
3. 20,000 (As at March 31, 2018 10,000) Equity shares of Sakthi Beverages Ltd of Rs.10 each	2.00	2.00
4. 1,200 (As at March 31, 2018 1,200) Equity shares of Tulya Alloy Castings Ltd of Rs.10 each	0.12	0.12
5. 27000 (As at March 31, 2018 24,500) Equity shares of OPG Power Generation Private Limited of Rs.10 each	3.11	2.75
6. 15,000 (As at March 31, 2018 15,000) Equity shares of OPG Metals Private Limited of Rs.10 each	1.50	1.50
<b>Total Unquoted Investments</b>	<b>10.03</b>	<b>9.67</b>
Less: Provision for diminution in value of investments	(10.65)	(10.65)
<b>Total Investments</b>	<b>65.83</b>	<b>68.61</b>
Aggregate amount of quoted investments	66.45	69.59
Aggregate market value of quoted investments	66.45	69.59
Aggregate amount of unquoted investments	10.03	9.67
Aggregate market value of unquoted investments	10.03	9.67

(Rs. in Lakhs)

**5 Other non-current assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	135.68	147.17
Security Deposits paid	290.81	223.06
Other advances	83.68	95.73
Prepaid expenses	22.60	15.27
MAT credit entitlement	1,911.59	1,948.10
Advance tax and Tax deducted at Source (Net)	58.87	-
<b>Total</b>	<b>2,503.23</b>	<b>2,429.34</b>

**6 Inventories**

(At lower of cost and net realisable value)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials	3,177.46	3,281.08
Work-in-progress	621.46	601.91
Finished Goods	3,647.98	2,249.61
By-Product	68.37	131.26
Stores and Spares	443.42	411.17
Stock in Trade	84.31	-
<b>Total</b>	<b>8,043.00</b>	<b>6,675.04</b>

**7 Financial Assets**
**7.1 Trade receivables (Unsecured)**

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
Considered good	204.62	90.38
Considered doubtful	117.73	117.73
	322.35	208.11
Less: Allowance for doubtful trade receivables	(117.73)	(117.73)
	<b>204.62</b>	<b>90.38</b>
(ii) Other trade receivables:		
Unsecured, considered good	4,789.12	3,993.39
Unsecured, considered doubtful	-	-
	<b>4,789.12</b>	<b>3,993.39</b>
Less: Provision for doubtful trade receivables	-	-
	<b>4,789.12</b>	<b>3,993.39</b>
<b>Total</b>	<b>4,993.74</b>	<b>4,083.77</b>

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

(Rs. in Lakhs)

## 7.2 Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Cash on hand	10.53	7.66
(b) Cheques/drafts on hand	2.00	1.00
(c) Balances with banks :		
(i) In current accounts	431.59	385.18
(ii) In deposit accounts	-	-
(iii) In earmarked accounts		
- Margin money deposits	705.80	463.27
- Unpaid dividend accounts	27.65	29.22
<b>Total</b>	<b>1177.57</b>	<b>886.33</b>
Of the above, balances that meet the definition of cash and cash equivalents as per Ind AS 7 Cash Flow Statements is	444.12	393.84

## 7.3 Loans

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Employees and other advances	48.28	39.98
Other advances	61.81	61.80
Security deposits	0.30	0.30
<b>Total</b>	<b>110.39</b>	<b>102.08</b>

## 7.4 Other financial assets

(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Accruals:		
Interest accrued on fixed deposits with banks	1.63	2.50
Insurance claim receivable	5.54	3.51
Interest subsidy on TUF Loan receivable	144.54	144.54
Unbilled revenue	7.92	42.77
Rent receivable	-	-
<b>Total</b>	<b>159.63</b>	<b>193.32</b>

(Rs. in Lakhs)

**8 Other Assets**

(Unsecured and considered good, unless stated otherwise)

Particulars	As at	
	March 31, 2019	March 31, 2018
Prepaid expenses	238.99	104.82
Balances with government authorities:		
- CENVAT credit receivable	13.04	15.74
- GST credit receivable	259.43	186.43
- Export incentive receivable	56.86	56.17
Advance to Suppliers	266.34	236.96
<b>Total</b>	<b>834.66</b>	<b>600.12</b>

**9 Equity Share Capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised:				
(i) Equity Share Capital Equity Shares of Rs. 10/- each	2,20,00,000	2,200.00	2,20,00,000	2,200.00
<b>Total</b>	<b>2,20,00,000</b>	<b>2,200.00</b>	<b>2,20,00,000</b>	<b>2,200.00</b>
(b) Issued, Subscribed and Fully paid-up:				
(i) Equity Share Capital Equity shares of Rs. 10/- each	1,29,62,713	1,296.27	1,29,62,713	1,296.27
<b>Total</b>	<b>1,29,62,713</b>	<b>1,296.27</b>	<b>1,29,62,713</b>	<b>1,296.27</b>

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10/- each				
At the beginning of the year	1,29,62,713	1,296.27	1,29,62,713	1,296.27
<b>Outstanding at the end of the year</b>	<b>1,29,62,713</b>	<b>1,296.27</b>	<b>1,29,62,713</b>	<b>1,296.27</b>

(Rs. in Lakhs)

**(ii) Terms / rights attached to the Equity Shares:**

The Company has issued only one class of equity share having a face value of Rs. 10/- per share. The holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential creditors and other creditors, in the order of priority. The distribution will be in proportion to the number of equity shares held by shareholders. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

**(iii) Distributions made and proposed**

Dividend recognized as distributions to equity shareholders for the year ended March 31, 2019 was Rs. 1.10 per share and March 31, 2018 was Rs 1.6 per share.

The Board of Directors at its meeting held on 28.05.2018 had recommended a dividend of 16% (Rs 1.60 per equity share of par value Rs 10 each). The proposal was approved by shareholders at the Annual General Meeting held on 24.09.2018, this has resulted in a cash outflow of Rs 250.03 lakhs, inclusive of corporate dividend tax of Rs 42.63 lakhs. Further, the Board of Directors at its meeting held on 29.05.2019 have proposed a dividend of 11% (Rs 1.10 per equity share of par value of Rs 10 each).

**iv) Details of shareholders holding more than 5% of the share capital : Equity Shares**

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Vedanayagam Hospital Limited	63,05,320	48.64%	63,05,320	48.64%
Annamallai Retreading Company Private Limited	30,50,146	23.53%	30,50,146	23.53%

**10 Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Securities premium account</b> Amounts received on issue of shares in excess of the par value has been classified as securities premium.	2,243.01	2,243.01
<b>General reserve</b> This represents appropriation of profit by the Company.	4,851.13	4,851.12
<b>Retained earnings/(deficit)</b> Retained earnings/(defecit) comprise of the Company's current and prior years' undistributed earnings after taxes or accumulated losses.	2,820.28	2,404.94
<b>Equity Instruments through other comprehensive income</b> Changes in the fair value of equity instruments is recognized in equity instruments and other comprehensive income consist of fair value changes on FVTOCI financial assets of net defined benefit liability/asset	(10.94)	15.08
	<b>9,903.46</b>	<b>9,514.15</b>

(Rs. in Lakhs)

**11 Financial Liabilities**
**11.1 Borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Term Loans - Secured(Refer Note (i) below)		
-From banks	7,141.45	7,106.34
-From others		
(b) Term Loans from related parties - Unsecured	615.00	115.00
<b>Total</b>	<b>7,756.45</b>	<b>7,221.34</b>

**i) Details of terms of repayment and security provided in respect of secured term loans:**

Indian Overseas Bank	518.00	969.00
Less: Current Maturities of long term debt	(518.00)	(420.00)
	<b>-</b>	<b>549.00</b>
Security : Hypothecation of windmills and equitable mortgage of related lands in Tirupur district, Tamilnadu. Repayable in 96 monthly instalments varying from Rs.15.00 to Rs.43.00 lakhs each, commencing from April, 2012.		
Indian Overseas Bank	-	239.55
Less: Current Maturities of long term debt	-	(239.55)
	<b>-</b>	<b>-</b>
Security: Paripasu First charge on the immovables and hypothecation of movables of spinning unit of the company. Repayable in 32 quarterly instalments of Rs.250 lakhs each, commencing from September, 2010		
Canara Bank		550.58
Less: Current Maturities of long term debt		(550.58)
	<b>-</b>	<b>-</b>
Paripasu First charge on the immovables and hypothecation of movables of spinning unit of the company. Repayable in 32 quarterly instalments of Rs.186.00 lakhs each, commencing from March, 2011		
Uco Bank	-	37.29
Less: Current Maturities of long term debt	-	(37.29)
	<b>-</b>	<b>-</b>
Paripasu First charge on the immovables and hypothecation of movables of spinning unit of the company. Repayable in 32 quarterly instalments of Rs.16.41 lakhs each, commencing from March, 2010		
Axis Bank	1,750.00	2,062.50
Less: Current Maturities of long term debt	(500.00)	(312.50)
	<b>1,250.00</b>	<b>1,750.00</b>

First charge on the windmills of the company having capacity of 13.195 MW in coimbatore and Tirupur districts repayable in 25 quarterly instalments commencing from march 2016 under step up method.

**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
ICICI Bank	-	375.00
Less: Current Maturities of long term debt	-	(375.00)
	<b>-</b>	<b>-</b>
Paripasu First charge on the immovables and hypothecation of movables of spinning unit of the company. Repayable in 16 quarterly instalments commencing from January 2015.		
Axis Bank	2,425.00	-
Less: Current Maturities of long term debt	(325.00)	-
	<b>2,100.00</b>	<b>-</b>
Paripasu First charge on the immovables and hypothecation of movables of spinning unit of the company. Repayable in 24 quarterly instalments, commencing from March 2019		
The Karur Vysya Bank Limited	1,100.00	1,400.00
Less: Current Maturities of long term debt	(300.00)	(300.00)
	<b>800.00</b>	<b>1,100.00</b>
Exclusive EM charge on vacant land belonging to associate company. Repayable in 60 monthly instalments of Rs. 25 lacs each commencing from November 2017		
Uco Bank -(New Term Loan)	915.00	995.22
Less: Current Maturities of long term debt	(223.00)	(223.00)
	<b>692.00</b>	<b>772.22</b>
Paripasu First charge on the immovables and hypothecation of movables of spinning unit of the company. Repayable in 24 quarterly instalments of Rs.55.75 lakhs each commencing from May 2018		
RBL bank	2,850.00	3,000.00
Less: Current Maturities of long term debt	(600.00)	(150.00)
	<b>2,250.00</b>	<b>2,850.00</b>
Paripasu First charge on the immovables and hypothecation of movables of spinning unit of the company. Repayable in 20 quarterly instalments of Rs.150 lakhs each, commencing from March 2019		
The Karur Vysya Bank Limited	29.75	51.24
Less: Current Maturities of long term debt	(16.22)	(20.33)
	<b>13.53</b>	<b>30.91</b>
Hypothecation of motor car. Repayable in 24 monthly instalments of varying amounts commencing from December 2015.		
Audit Financial Services	54.20	70.92
Less: Current Maturities of long term debt	(18.28)	(16.72)
	<b>35.92</b>	<b>54.20</b>
Hypothecation of motor car. Repayable in 60 monthly instalments of varying amounts commencing from January 2017		



(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current borrowings - Total	9,641.95	9,751.31
Current Maturities of long term borrowings - Total	(2,500.50)	(2,644.97)
	<b>7,141.45</b>	<b>7,106.34</b>

**12. Provisions**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Provision for employee benefits		
Provision for Gratuity [Refer note 25.1.b]	59.46	9.30
<b>Total</b>	<b>59.46</b>	<b>9.30</b>

**12.1 Deferred tax liabilities (Net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax Assets	131.56	143.10
Deferred tax liabilities	(4,044.90)	(4,089.18)
Deferred tax liabilities (Net)	(3,913.34)	(3,946.08)

**13 Financial Liabilities**
**13.1 Borrowings**

Particulars	As at March 31, 2019	As at April 1, 2018
(a) Working capital loan from banks (Secured) (Refer Note 1 below)	8,945.61	7,961.84
(b) Working capital loan from banks (Unsecured) (Refer Note 2 below)	800.00	200.00
<b>Total</b>	<b>9,745.61</b>	<b>8,161.84</b>
<b>Note 1</b>		
Indian Overseas Bank - Cash Credit	3,241.93	3,038.92
Hypothecation of inventories and trade receivables		
Indian Overseas Bank - PCFC	142.40	182.11
Hypothecation of inventories and trade receivables		
Bank of Baroda - Cash Credit	1,498.29	1,395.87
Hypothecation of inventories and trade receivables		
Canara Bank - Cash Credit	821.92	726.99
Hypothecation of inventories and trade receivables		
Indian Overseas Bank Sulur	-	2.44
Hypothecation of inventories and trade receivables		
Karur Vysya Bank - Cash Credit	2,750.74	2,420.62
Hypothecation of inventories and trade receivables		
Karur Vysya Bank - PCFC	-	194.89
Hypothecation of inventories and trade receivables		
Indian Overseas bank - ILC	177.13	-
Hypothecation of inventories and trade receivables		
RBL Bank Ltd	313.20	-
Hypothecation of inventories and trade receivables		
<b>Total</b>	<b>8,945.61</b>	<b>7,961.84</b>

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at April 1, 2018
<b>Note 2</b>		
HDFC Bank	800.00	200.00
Unsecured, repayable on demand		
<b>Total</b>	<b>9,745.61</b>	<b>8,161.84</b>

### 13.2 Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
Acceptances		
Other than acceptances:		
- total outstanding dues of micro enterprises and small enterprises (Refer Note 24)	37.00	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,556.13	1,362.54
Liability for Expenses	1,282.08	1,358.90
<b>Total</b>	<b>2,838.21</b>	<b>2,721.44</b>

### 13.3 Other Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long-term Debt [Refer note 11.1(i) for details of security and repayment terms]	2,500.50	2,644.97
Interest accrued but not due on borrowings	43.44	53.77
Unpaid Dividend	27.65	29.22
Dues to group companies	(8.93)	109.11
Unclaimed matured deposits and interest accrued thereon	5.79	8.17
Other liabilities	44.72	82.79
Payables on purchase of fixed assets	4.60	26.35
<b>Total</b>	<b>2,617.77</b>	<b>2,954.38</b>

### 14 Provision

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Provision for employee benefits		
Provision for bonus		
Provision for Gratuity [Refer note 25.1.b]		
(b) Provision for income tax (Net)	-	66.71
<b>Total</b>	<b>-</b>	<b>66.71</b>

(Rs. in Lakhs)

**15 Other Liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory remittances	69.10	64.31
Income received in advance	24.32	5.00
Advances from customers	2.21	2.23
Others	85.28	108.48
<b>Total</b>	<b>180.91</b>	<b>180.02</b>

**16 Revenue from operations**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(a) Sale of goods</b>	<b>34,495.03</b>	<b>35,288.26</b>
a. Manufactured goods		
Yarn	22,758.91	20,904.43
Fabrics	5,779.93	6,646.82
Waste Cotton	1,904.56	1,947.97
Garments	4,051.63	5,797.00
Less: Excise duty	-	(7.96)
<b>b. Traded goods</b>		
Yarn	252.96	-
<b>(b) Sale of services</b>		
Coating Dying and Lamination charges	363.34	263.25
<b>(c) Other operating revenues</b>	241.89	328.09
(Refer Note 1 below)		
<b>Total</b>	<b>35,353.22</b>	<b>35,879.60</b>
Note		
1 Other operating revenues comprises:	181.89	255.89
Duty drawback and other export incentives	60.00	72.20
<b>Total</b>	<b>241.89</b>	<b>328.09</b>

**17 Other income**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest income	50.17	36.28
(Refer Note 1 below)		
(b) Dividend income from non-current non-trade investments	1.30	2.52
(c) Other non-operating income	61.53	217.67
(Refer Note 2 below)		
<b>Total</b>	<b>113.00</b>	<b>256.47</b>

**(Rs. in Lakhs)**

<b>Particulars</b>		<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>1</b>	<b>Interest income comprises:</b>		
	Interest from financial assets at amortised cost	50.17	36.28
	Interest on refund of income tax	-	-
	<b>Total - Interest income</b>	<b>50.17</b>	<b>36.28</b>
<b>2</b>	<b>Other non-operating income comprises:</b>		
	Rental income	15.62	9.05
	Prior period income	-	-
	Profit on sale of property plant and equipment (Net)	-	136.00
	Adjustments to carrying amount of investments (net)	-	1.51
	Recovery of bad debts	29.43	6.93
	Sundry balances written back	6.35	4.84
	Net gain on foreign currency transactions	28.71	42.92
	Other Miscellaneous income	(18.58)	16.42
	<b>Total - Other non-operating income</b>	<b>61.53</b>	<b>217.67</b>

<b>Particulars</b>		<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>18A</b>	<b>Cost of materials consumed</b>		
	Opening stock	3,562.87	3,810.70
	Add: Purchases	22,286.98	21,272.57
		25,849.84	25,083.27
	Less: Closing stock	(3,483.55)	(3,562.87)
	<b>Cost of material consumed</b>	<b>22,366.29</b>	<b>21,520.40</b>
	Material consumed comprises:		
	- Cotton	18,306.59	17,437.40
	- Others	4,059.70	4,083.00
	<b>Total</b>	<b>22,366.29</b>	<b>21,520.40</b>
<b>18B</b>	<b>Purchases of traded goods</b>	<b>217.87</b>	<b>97.53</b>
	<b>Total</b>	<b>217.87</b>	<b>97.53</b>

**19 Changes in inventories of finished goods, work-in-progress and stock in trade** (Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year:		
Finished goods	3,647.42	2,249.61
Work-in-progress	315.93	320.12
stock in trade	84.31	-
Waste-cotton	68.37	131.26
	<b>4,116.03</b>	<b>2,700.99</b>
Inventories at the beginning of the year:		
Finished goods	2,249.60	1,768.16
Work-in-progress	320.12	127.76
Waste-cotton	131.26	85.07
	<b>2,700.98</b>	<b>1,980.99</b>
<b>Net (increase) / decrease</b>	<b>(1,415.05)</b>	<b>(720.00)</b>

**20 Employee benefit expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	3,801.81	3,644.10
Contributions to provident and other funds (Refer Note 25.1.a & 25.1.b)	171.86	220.90
Staff welfare expenses	208.68	254.68
<b>Total</b>	<b>4,182.35</b>	<b>4,119.68</b>

**21 Finance costs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest expense on financial liabilities at amortised cost:		
(i) Borrowings	2,013.69	1,767.03
(b) Other borrowing costs	151.62	160.59
<b>Total</b>	<b>2,165.31</b>	<b>1,927.62</b>

**22 Other expenses**
**(Rs. in Lakhs)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores and spare parts	1,286.06	1,766.30
Manufacturing expenses	521.65	759.06
Power, fuel and water charges	1,486.56	1,435.54
Rent including lease rentals	286.20	264.64
Repairs and Maintenance - Building	53.61	74.18
Repairs and Maintenance - Machinery	459.99	430.88
Repairs and Maintenance - Others	205.21	246.33
Insurance	124.17	123.06
Rates and Taxes	27.22	45.41
Communication expenses	155.16	132.85
Travelling and Conveyance	423.54	325.29
Printing & Stationery	25.74	26.26
Freight and Forwarding Charges	229.04	167.64
Sales Commission	176.14	208.50
Director's sitting fee	3.30	2.75
Loss on sale/disposal of property plant and equipment	34.90	3.08
Business Promotion Expenses	111.32	73.37
Donation	0.01	15.53
Legal and Professional charges	73.87	63.54
Payments to Auditors	10.00	10.00
Corporate Social Responsibility	8.14	15.15
Provision for bad and doubtful debts	-	8.44
Royalty expenses	-	87.50
Miscellaneous Expenses	110.92	97.13
<b>Total</b>	<b>5,812.75</b>	<b>6,382.43</b>

**Note 1 Payments to auditors:**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Payments to auditors comprises (net of service tax input credit, where applicable):		
Statutory audit fees	10.00	10.00
<b>Total</b>	<b>10.00</b>	<b>10.00</b>

**Additional information to the financial statements**

(Rs. in Lakhs)

**23 Contingent liabilities and commitments (to the extent not provided for)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Contingent liabilities:		
(a) Disputed demands from ESI Authorities	9.86	9.86
(b) Disputed TNVAT demand in respect of which interim stay granted by Hon'ble High Court of Madras	1.94	1.94
(c) Disputed claims of TANGEDCO as part of energy supply bill	95.96	74.70
(d) PF Note: The Supreme court of India vide judgement dated February 28, 2019, has issued clarification on the definition of "basic wage" considered for the contribution for Provident Fund which provides for the inclusion of special allowances. The said judgement is retrospective in nature. However, since all employer bodies have pleaded with EPFO and Ministry and the actual liability to be provided is unascertainable, no liabilities in the books of accounts has been created.		
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible assets	279.43	-
(iii) (a) 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	133.91	145.76
(b) Value of export obligation to be fulfilled	19,301.60	21,049.95

**24 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	37.00	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) 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 the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



**24 A Disclosure for raw materials, purchased goods and finished goods under broad heads**  
**(Rs. in lakhs)**

Particulars	Year ended 31.3.2019	Year ended 31.3.2018
<b>1 Sale of products</b>		
<b>(a) Manufactured goods:</b>		
Yarn	22,758.91	20,904.43
Fabric	177.14	1,435.75
Garments	4,051.63	5,789.04
Coated fabrics (Canvas)	1,198.79	1,744.99
Laminated fabrics	4,404.00	3,466.09
Waste	1,904.56	1,947.97
Sale of Services	363.34	263.25
<b>(b) Traded goods</b>		
Garments	252.96	-
<b>Total</b>	<b>35,111.33</b>	<b>35,551.51</b>
<b>(c) Other Operating Revenues</b>	<b>241.89</b>	<b>328.09</b>
<b>Total sale of products (a)+(b)</b>	<b>35,353.22</b>	<b>35,879.60</b>
<b>2 Raw materials consumption</b>		
(a) Cotton	18,306.59	17,437.40
(b) Others	4,059.70	4,083.00
<b>Total</b>	<b>22,366.29</b>	<b>21,520.40</b>
Purchase of traded goods		
(a) Yarn	-	-
(b) Fabrics / Garments	217.87	97.53
<b>Total</b>	<b>217.87</b>	<b>97.53</b>

- 3** 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;

			(Rs. in lakhs)		
Particulars		Year ended 31.3.2019	Year ended 31.3.2018		
Raw materials					
Indigenous	(Rs.)	20,962.77		20,471.79	
	(%)	93.92%		95.13%	
Imported	(Rs.)	1,403.52		1,048.62	
	(%)	6.08%		4.87%	
<b>Total</b>		<b>23,366.29</b>		<b>21,520.42</b>	
Stores and spares					
Indigenous	(Rs.)	1,111.33		1,685.57	
	(%)	90.17%		95.43%	
Imported	(Rs.)	174.73		80.75	
	(%)	9.83%		4.57%	
<b>Total</b>		<b>1,286.06</b>		<b>1,766.32</b>	
4	Value of imports calculated on CIF basis by the company during the financial year in respect of				
	(i) Raw materials	1,403.52		1,048.62	
	(ii) Components and spare parts	174.73		80.75	
	(iii) Capital goods	196.53		88.71	
5.	Expenditure in foreign currency during the financial year on account of:				
	Royalty, know-how, professional and consultation fees	20.63		20.94	
	Traveling, training and others	10.28		23.72	
6	The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;				
	i) Total number of Non-resident shareholders	Not applicable, Hence No Dividend is paid in Foreign Currency			
	ii) Total number of shares held				
	iii) Total amount of dividend due/paid				
	iv) Year to which the dividend related				



(Rs. in lakhs)

Particulars	Year ended 31.3.2019	Year ended 31.3.2018
7 Earnings in foreign exchange classified under the following heads, namely:-		
(i) Export of goods calculated on FOB basis	5,740.39	7,528.66
(ii) Royalty, know-how, professional and consultation fees	-	-
(iii) Interest and dividend	-	-
(iv) Other income, indicating the nature thereof	-	-
8 The Company, has paid to trade related research institutions by way of recurring / non recurring contribution	28.29	3.20
9 Rates and taxes include wealth tax	-	-

**10 Valuation of inventories**

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

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

**Notes to the financial statements for the year ended March 31, 2019**

Amount in Rupees Lakhs except shares data or as otherwise stated

Note No.	Particulars									
<b>25.</b>	<b>Employee benefit plans</b>									
<b>25.1a</b>	<b>Defined contribution plans - provident fund and employee state insurance</b>									
	The Company makes Provident Fund and Employee state insurance scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss.									
	(Rs. in lakhs)									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">For the year ended March 31, 2019</th> <th style="text-align: center;">For the year ended March 31, 2018</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Provident fund</td> <td style="text-align: right;">148.40</td> <td style="text-align: right;">190.60</td> </tr> <tr> <td style="text-align: center;">Employee state insurance</td> <td style="text-align: right;">8.89</td> <td style="text-align: right;">11.47</td> </tr> </tbody> </table>	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	Provident fund	148.40	190.60	Employee state insurance	8.89	11.47
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018								
Provident fund	148.40	190.60								
Employee state insurance	8.89	11.47								
<b>25.1b</b>	<b>Defined benefit plan - gratuity</b>									
	<p>In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of 'Contribution to provident and other funds' in Note 20 Employee benefit expense. Under this plan, the settlement obligation remains with the Company.</p> <p>"Description of Risk Exposures Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:"</p> <ol style="list-style-type: none"> <li>A. Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).</li> <li>B. Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.</li> <li>C. Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.</li> <li>D. Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.</li> <li>E. Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash/cashequivalent to meet the liabilities or holding of illiquid assets not being sold in time.</li> <li>F. In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2018 by Mr. N Srinivasan, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.</li> </ol>									

The following table sets out the funded status of the gratuity scheme:

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Components of employer expense</b>		
Current service cost	31.28	18.40
Past service cost	-	10.91
Interest cost	11.56	10.83
Expected return on plan assets	(9.82)	(9.84)
Recognised in statement of profit and loss	33.03	30.30
Re-measurement - actuarial (gain)/loss recognised in OCI	27.78	1.62
<b>Total expense recognised in the Statement of total comprehensive income</b>	<b>60.81</b>	<b>31.92</b>
<b>Other Comprehensive Income (OCI)</b>		
Actuarial (gain)/loss due to DBO assumption experience	4.67	-
Actuarial (gain)/loss due to DBO experience	76.48	22.89
Actuarial (gain)/loss due to DBO assumption changes	(52.82)	(22.47)
Actuarial (gain)/loss arising during period	28.33	0.42
Actual return on plan assets (greater)/less interest on plan assets	-0.55	1.20
Actuarial (gains)/ losses recognized in OCI	27.78	1.62
<b>Defined Benefit Cost</b>		
Service cost	31.28	29.31
Net interest on net defined benefit liability / (asset)	1.74	0.98
Actuarial (gains)/ losses recognized in OCI	27.78	1.62
Defined Benefit Cost	60.81	31.92
<b>Change in defined benefit obligation (DBO) during the year</b>		
Present value of DBO at beginning of the year	177.38	143.28
Current service cost	31.28	18.40
Past service cost	-	10.91
Interest cost	11.56	10.83
Actuarial (gains) / losses	28.33	0.42
Benefits paid	(16.30)	(6.45)
Present value of DBO at the end of the year	232.25	177.39
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	16.30	6.45
Actual contributions	37.25	1.00
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	133.26	130.06
Expected return on plan assets	9.82	9.84
Actual company contributions	37.25	1.00
Actuarial gain / (loss)	0.54	(1.20)
Benefits paid	(16.30)	(6.45)
Plan assets at the end of the year	164.56	133.26
Actual return on plan assets	10.36	8.64

The following table sets out the funded status of the gratuity scheme:

(Rs. in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current and Non Current Liability portion</b>		
Current Liability	-	-
Non Current Asset/ (Liability)	(67.69)	(44.13)
Net Asset/(Liability)	(67.69)	(44.13)
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	232.25	177.38
Fair value of plan assets	164.56	133.26
Funded status [Surplus / (Deficit)]	(67.69)	(44.13)
Net asset / (liability) recognised in the Balance Sheet	(67.69)	(44.13)
<b>Composition of the plan assets is as follows:</b>		
Government securities		
Debentures and bonds		
Fixed deposits		
Insurer managed funds	100%	100%
*Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer.		
<b>Actuarial assumptions</b>		
Discount rate	6.83%	7.73%
Expected return on plan assets	6.83%	7.73%
Salary escalation	2.00%	6.50%

**Disclosure under Accounting Standards**

Note No.	Particulars																					
	<p>The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.</p> <p><b>Sensitivity Analysis</b></p> <p>Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:</p>																					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">As at March 31, 2019</th> <th style="text-align: center;">As at March 31, 2018</th> </tr> </thead> <tbody> <tr> <td>Estimate value of obligation if discount rate is taken 1% higher</td> <td style="text-align: right;">227.81</td> <td style="text-align: right;">162.34</td> </tr> <tr> <td>Estimated value of obligation if discount rate is taken 1% lower</td> <td style="text-align: right;">236.90</td> <td style="text-align: right;">195.18</td> </tr> <tr> <td>Estimate value of obligation if salary growth rate is taken 1% higher</td> <td style="text-align: right;">235.34</td> <td style="text-align: right;">194.17</td> </tr> <tr> <td>Estimate value of obligation if salary growth rate is taken 1% lower</td> <td style="text-align: right;">229.21</td> <td style="text-align: right;">163.00</td> </tr> <tr> <td>Estimate value of obligation if attrition rate is taken 1% higher</td> <td style="text-align: right;">232.36</td> <td style="text-align: right;">178.60</td> </tr> <tr> <td>Estimate value of obligation if attrition rate is taken 1% lower</td> <td style="text-align: right;">232.13</td> <td style="text-align: right;">176.02</td> </tr> </tbody> </table>	Particulars	As at March 31, 2019	As at March 31, 2018	Estimate value of obligation if discount rate is taken 1% higher	227.81	162.34	Estimated value of obligation if discount rate is taken 1% lower	236.90	195.18	Estimate value of obligation if salary growth rate is taken 1% higher	235.34	194.17	Estimate value of obligation if salary growth rate is taken 1% lower	229.21	163.00	Estimate value of obligation if attrition rate is taken 1% higher	232.36	178.60	Estimate value of obligation if attrition rate is taken 1% lower	232.13	176.02
Particulars	As at March 31, 2019	As at March 31, 2018																				
Estimate value of obligation if discount rate is taken 1% higher	227.81	162.34																				
Estimated value of obligation if discount rate is taken 1% lower	236.90	195.18																				
Estimate value of obligation if salary growth rate is taken 1% higher	235.34	194.17																				
Estimate value of obligation if salary growth rate is taken 1% lower	229.21	163.00																				
Estimate value of obligation if attrition rate is taken 1% higher	232.36	178.60																				
Estimate value of obligation if attrition rate is taken 1% lower	232.13	176.02																				

**(Rs. in lakhs)**

Note No.	Particulars																					
	<p>These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.</p> <p><b>Maturity profile of defined benefit obligation :</b></p> <table border="1"> <thead> <tr> <th style="text-align: center;">Maturity profile, if it ensues</th> <th style="text-align: center;">As at March 31, 2019</th> <th style="text-align: center;">As at March 31, 2018</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: right;">89.49</td> <td style="text-align: right;">7.12</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: right;">51.61</td> <td style="text-align: right;">17.52</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: right;">32.28</td> <td style="text-align: right;">7.00</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: right;">23.91</td> <td style="text-align: right;">6.81</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: right;">13.20</td> <td style="text-align: right;">22.17</td> </tr> <tr> <td style="text-align: center;">Above 5</td> <td style="text-align: right;">17.88</td> <td style="text-align: right;">59.95</td> </tr> </tbody> </table>	Maturity profile, if it ensues	As at March 31, 2019	As at March 31, 2018	1	89.49	7.12	2	51.61	17.52	3	32.28	7.00	4	23.91	6.81	5	13.20	22.17	Above 5	17.88	59.95
Maturity profile, if it ensues	As at March 31, 2019	As at March 31, 2018																				
1	89.49	7.12																				
2	51.61	17.52																				
3	32.28	7.00																				
4	23.91	6.81																				
5	13.20	22.17																				
Above 5	17.88	59.95																				
	<p><b>Asset Liability Matching Strategies</b></p> <p>The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).</p>																					

**26 Segment Reporting**
**a) Primary Business Segment Information**

The company's business relates to single segment only i.e, Textiles. Accordingly, this is the only reportable business segment.

**b) Secondary Geographic Segment Information.**

Geographic Segment		Revenues	Segment assets	Capital expenditure incurred
Outside India	March 31, 2019	5,740.39	300.86	196.53
	March 31, 2018	7,349.68	451.65	77.14
India	March 31, 2019	29,612.83	36,077.15	422.66
	March 31, 2018	28,529.94	33,671.78	910.22
Unallocated	March 31, 2019	-	1,970.47	-
	March 31, 2018	-	1,948.10	-
<b>Total</b>	<b>March 31, 2019</b>	<b>35,353.22</b>	<b>38,348.48</b>	<b>619.18</b>
	<b>March 31, 2018</b>	<b>35,879.62</b>	<b>36,071.53</b>	<b>987.36</b>



Note No.	Particulars			
27	<b>Related party transactions</b>			
	<b>A. Details of related parties :</b>			
	<b>Description of relationship</b>	<b>Name of related parties</b>		
	Enterprises having significance on company	Vedhanayagam Hospitals Ltd Annamallai Retreading Company Private Limited		
	Enterprises in which the Key management Personnel or relatives have significant influence.	Anamallais Agencies Private Ltd Anamallais Automobiles Private Ltd Sakthi Murugan Transports Ltd Sundarram Enterprise Private Ltd Annamalai Retreading Company Private Limited Bannari Amman Spinning Mills Ltd Firebird Institute of Research in Management Anamallais motors P Ltd Shiva Automobiles Pvt Ltd Young Brand Apparel Private Limited Shiva Mills Limited Jhanvi Motors		
	Key Management Personnel (KMP)	Sri S K Sundararaman, Managing Director Sri C Krishnakumar - Chief Financial Officer Sri R Srinivasan - Company Secretary		
	Relatives of key management personnel	Sri S V Kandasami - Father of Managing Director		
	<b>B. Details of transactions during the year and balance outstanding as at the balance sheet date: (Rs. in lakhs)</b>			
	<b>Particulars</b>	<b>Related Party</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	a) Transactions during the year:			
	Sale of goods and services	Bannari Amman Spinning Mills Limited	310.26	213.80
		Young Brand Apparel Private Limited	0.38	-
	Purchase of goods and services	Bannari Amman Spinning Mills Limited	711.57	957.09
		Firebird Institute of Research in Mngmnt	0.06	36.85
		Shiva Mills Limited	34.19	23.39
		Sundar Ram Enterprises Private Limited	0.90	0.90
		Anamallais Automobiles Private Limited	1.12	0.57
		Anamallais Agencies Private Limited	0.43	18.80
		Anamallais motors Private Limited	3.43	1.51
		Anamallais Retrading Company Private Limited	-	0.17
		Shiva Automobiles Private Limited	-	8.24
		Sakthi Murugan Transports Limited	0.60	0.59
		Jhanvi Motors	0.58	-
	Loan From Director	Dr S V Kandasami	500.00	-
	Remuneration	Sri S K Sundararaman, Managing Director	40.32	68.13

**(Rs. in lakhs)**

<b>Particulars</b>	<b>Related Party</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
(i) Receivables	Bannari Amman Spinning Mills Limited	253.18	62.50
	Shiva Mills Limited	8.93	-
	Firebird Institute of Research in Management	0.13	-
(ii) Payables	Bannari Amman Spinning Mills Limited	551.37	318.69
	Sri S V Alagappan - Director	25.00	25.00
	Sri S K Sundararaman	90.00	90.00
	Dr S V Kandasami	500.00	-
	Annamalais Motors Private Limited	0.11	0.18
	Annamalais Agencies Private Limited	0.37	-
	Sundarram Enterprises Private Limited	0.08	0.08
	Shiva Mills Limited	0.44	109.11
	Sakthi Murugan Transports Limited	0.05	0.26

**28 Earnings per equity share**

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Earnings per equity share		
Profit \ (Loss) attributable to equity shareholders (Rs.)	670.29	1,132.29
Weighted average number of equity shares ( Nos.)	1,29,62,713	1,29,62,713
Par value per equity share (Rs.)	10.00	10.00
Earning per share - Basic & Diluted (Rs.)	5.17	8.74

**29 Income Tax Recognised :**

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>		<b>For the year ended March 31, 2018</b>	
	<b>Statement of profit and loss</b>	<b>Other comprehensive income</b>	<b>Statement of profit and loss</b>	<b>Other comprehensive income</b>
Current Tax:				
In respect of current year	162.94	-	345.00	-
Deferred Tax:				
In respect of current year	(32.74)	-	(12.53)	(0.56)
<b>Income tax expense</b>	<b>130.20</b>	<b>-</b>	<b>332.47</b>	<b>(0.56)</b>

**30 Movement in deferred tax balance**

(Rs. in lakhs)

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Recognised directly in equity	Closing Balance
<b>For the year ended 31 March, 2019</b>					
Tax effect of items constituting deferred tax asset					
Fair value/Provision for investments	7.15	(3.47)			3.68
Provision for doubtful debts	40.74	-	-		40.74
Disallowances under section 43B of Income Tax Act, 1961	95.22	(8.08)	-		87.14
Minimum Alternate tax	-	-	-	-	-
<b>Tax effect of items constituting deferred tax asset</b>	<b>143.11</b>	<b>(11.55)</b>	<b>-</b>	<b>-</b>	<b>131.56</b>
Tax effect of items constituting deferred tax (liability)					
On difference between book balance and tax balance of fixed assets	(4,089.18)	44.28	-		(4,044.90)
<b>Tax effect of items constituting deferred tax (liability)</b>	<b>(4,089.18)</b>	<b>44.28</b>	<b>-</b>	<b>-</b>	<b>(4,044.90)</b>
<b>Net Deferred tax asset/(liability)</b>	<b>(3,946.08)</b>	<b>32.74</b>	<b>-</b>	<b>-</b>	<b>(3,913.34)</b>
<b>For the year ended 31 March, 2018</b>					
Tax effect of items constituting deferred tax asset					
Fair value/Provision for investments	6.64	0.51	-		7.15
Provision for doubtful debts	43.49	(2.75)	-		40.74
Disallowances under section 43B of Income Tax Act, 1961	47.23	48.55	(0.56)		95.21
<b>Tax effect of items constituting deferred tax asset</b>	<b>97.36</b>	<b>46.30</b>	<b>(0.56)</b>	<b>-</b>	<b>143.10</b>
Tax effect of items constituting deferred tax (liability)					
On difference between book base and tax base of property plant and equipment	(4,056.54)	(32.17)	(0.47)		(4,089.18)
<b>Tax effect of items constituting deferred tax (liability)</b>	<b>(4,056.54)</b>	<b>(32.17)</b>	<b>(0.47)</b>	<b>-</b>	<b>(4,089.18)</b>
<b>Net Deferred tax asset/(liability)</b>	<b>(3,959.18)</b>	<b>14.13</b>	<b>(1.04)</b>	<b>-</b>	<b>(3,946.08)</b>

**30 Deferred tax (liability) / asset**
**(Rs. in lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Tax effect of items constituting deferred tax Assets		
Fair value/Provision for investments	3.68	7.15
Provision for doubtful debts	40.74	40.74
Disallowances under section 43B of Income Tax Act, 1961	87.14	95.21
Tax effect of items constituting deferred tax Asset	131.56	143.10
Tax effect of items constituting deferred tax (liability)		
On difference between book balance and tax balance of fixed assets	(4,044.90)	(4,089.18)
Tax effect of items constituting deferred tax (liability)	(4,044.90)	(4,089.18)
<b>Net deferred tax (liability) / asset</b>	<b>(3,913.34)</b>	<b>(3,946.08)</b>

**Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate :**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	800	1,465
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	2.78	506.93
Effect on account of deduction under income tax	(154.38)	(163.76)
Others	6.58	(10.69)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>130.20</b>	<b>332.47</b>

**31 Financial Instruments****(Rs. in lakhs)**

The carrying value and fair value of financial instruments by categories as at March 31, 2019, March 31, 2018 is as follows:

Particulars	Carrying value		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Financial assets</b>				
Amortised cost				
Loans	110.39	102.08	110.39	102.08
Trade receivable	4,993.74	4,083.77	4,993.74	4,083.77
Cash and cash equivalents	1,177.57	886.33	1,177.57	886.33
Other financial assets	159.63	193.32	159.63	193.32
FVTOCI				
Investment in equity instruments	66.45	69.59	66.45	69.59
FVTPL				
Investment in equity instruments (unquoted)	65.83	68.61	65.83	68.61
<b>Total assets</b>	<b>6,573.61</b>	<b>5,403.70</b>	<b>6,573.61</b>	<b>5,403.70</b>
<b>Financial liabilities</b>				
Amortised cost				
Borrowings	20,002.57	18,028.16	20,002.57	18,028.16
Trade payables	2,875.21	2,721.44	2,875.21	2,721.44
Other financial liabilities	117.27	309.40	117.27	309.40
<b>Total liabilities</b>	<b>22,958.05</b>	<b>21,059.01</b>	<b>22,958.05</b>	<b>21,059.01</b>

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

- i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- iii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2019 was assessed to be insignificant.
- iv) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

### 32 Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2018, March 31, 2017 and April 1, 2016.

(Rs. in lakhs)

Particulars	Fair value measurement using					
	As at	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value :</b>						
1 FVTOCI financial assets designated at fair value:						
Investment in equity instruments (quoted)	March 31, 2019	March 31, 2019	66.45	66.45	-	--
	March 31, 2018	March 31, 2018	69.59	69.59	-	--
2 FVTPL financial assets designated at fair value:						
Investment in equity instruments (unquoted)	March 31, 2019	March 31, 2019	10.03	-	-	10.03
	March 31, 2018	March 31, 2018	9.67	-	-	9.67

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

### 33 Financial Risk Management

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Company uses foreign currency borrowings to mitigate foreign exchange related risk exposures.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counter parties, taking into account their financial position, past experience and other factors.

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers :

Particulars	(Rs. in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from top customer	1,873.99	4,900.00
Revenue from top 5 customers	4,993.39	9,147.92

One customer accounted for more than 10% of the revenue for the year ended March 31, 2018, however two of the customers accounted for more than 10% of the receivables for the year ended March 31, 2018. One customer accounted for more than 10% of the revenue for the year March 31, 2017, however four of the customers accounted for more than 10% of the receivables for the year ended March 31, 2017.

### Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below :

Particulars	March 31, 2019	March 31, 2018
Cash and cash equivalents	1,177.57	886.33
<b>Total</b>	<b>1,177.57</b>	<b>886.33</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016

Particulars	As at	Less than 1 year	1 - 2 years	2 years and above
Borrowings	March 31, 2019	12,246.11	7,641.44	115.00
	March 31, 2018	10,806.80	7,106.33	115.00
Trade payables	March 31, 2019	2,875.21	-	-
	March 31, 2018	2,721.44	-	-
Other financial liabilities	March 31, 2019	117.27	-	-
	March 31, 2018	309.41	-	-



### Foreign Currency risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars, British pound sterling and euros) and foreign currency borrowings (primarily in U.S. dollars, British pound sterling and euros). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's management meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the Company management believes that the borrowings in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent.

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2019 and March 31, 2018

Particulars	As at	US \$	Euro	Pound / Sterling	Total
<b>Assets</b>					
Trade receivables	March 31, 2019	5.01			5.01
	March 31, 2018	6.94			6.94
Cash and cash equivalents	March 31, 2019				-
	March 31, 2018				-
<b>Liabilities</b>					
Trade payable	March 31, 2019				-
	March 31, 2018				-
Borrowings	March 31, 2019				-
	March 31, 2018				-
Net assets/(liabilities)	March 31, 2019	5.01	-	-	5.01
	March 31, 2018	6.94	-	-	6.94

**Foreign currency sensitivity analysis**

The Company is mainly exposed to the currency USD on account of outstanding trade receivables and trade payables in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

**(Rs. in lakhs)**

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Impact on profit or (loss) for the year	2.35	2.14

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit as mentioned in the above table.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

**Interest rate sensitivity analysis**

If interest rates had been 1% higher and all other variables were held constant, the company's profit for the year ended would have impacted in the following manner:

<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
Increase / (decrease) in the Profit for the year	(109.83)	(244.42)

If interest rates were 1% lower, the company's profit would have increased by the equivalent amount as shown in the above table.

**Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.



The capital structure is as follows :

(Rs. in lakhs)

Particulars	March 31, 2019	March 31, 2018
Total equity attributable to the equity share holders of the company	11,199.73	10,810.42
As percentage of total capital %	35.89%	37.49%
Current borrowings	9,745.61	8,161.84
Non-current borrowings	10,256.96	9,866.32
Total borrowings	20,002.57	18,028.16
As a percentage of total capital	64.11%	62.51%
<b>Total capital (borrowings and equity)</b>	<b>31,202.30</b>	<b>28,838.59</b>

The Company is predominantly debt financed which is evident from the capital structure table.

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

For and on behalf of the Board of Directors

**S V Alagappan**

Chairman  
DIN : 00002450

**S K Sundararaman**

Managing Director  
DIN : 00002691

Coimbatore  
29<sup>th</sup> May, 2019

**C Krishnakumar**

Chief Financial Officer

**R Srinivasan**

Company Secretary  
ACS No. 21254

**Financial Performance - Year Wise**

(Rs. in lakhs)

Financial Year	Equity Share Capital	Reserves & Surplus	Turnover	Profit before Depreciation	Depre- ciation	Profit before Tax	Dividend on Equity Shares (%)
2000-2001 (18 months)	2160.45	6869.35	10932.18	1917.95	1526.88	391.07	9
2001-2003 (15 months)	2160.45	6044.31	10594.30	1313.28	1040.98	272.30	6
2003-2004	2160.45	6097.48	9441.91	1089.09	749.24	339.85	7.5
2004-2005	2160.45	5827.91	9469.61	1380.96	771.84	609.12	10
2005-2006	2160.45	6987.36	8972.52	2007.82	697.04	1521.74	15
2006-2007	2160.45	8151.39	10136.23	2318.59	720.79	1553.23	15
2007-2008	2160.45	7753.55	9582.46	1788.07	743.42	1119.20	15
2008-2009	2160.45	7976.09	10136.02	1431.79	832.46	601.57	9
2009-2010	2160.45	8254.40	19796.65	2178.64	1350.33	828.31	10
2010-2011	2160.45	10538.23	42336.50	5567.24	1765.98	3801.25	15
2011-2012	2160.45	8595.89	33194.77	-992.86	1870.32	-2863.18	-
2012-2013	2160.45	10521.78	41139.32	5072.42	1916.97	3155.45	12
2013-2014	2160.45	12304.74	49244.10	5004.16	2008.74	2995.42	12
2014-2015	2160.45	12932.84	45769.57	2959.23	1687.01	1272.22	10
2015-2016	2160.45	12932.84	44235.60	3163.94	1709.40	1454.54	11
2016-2017	2160.45	14151.64	37793.34	2929.47	1282.57	1646.90	16
2017-2018	1296.27	9514.15	35551.51	2808.41	1343.64	1464.77	16
2018-2019	1296.27	9903.46	35110.33	2136.70	1336.21	800.49	11









## PLANT LOCATION

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

Bag Unit	Knitting Unit	Garment Division
D.No. 1/667, K.P. Mahal Chinna Iyyan Kovil Privu Somanur Road Ichipatti Village Palladam TK Tirupur-641 668	Kodangipalayam Village Karadivavi Road Paruvai Post Coimbatore Dt Tamilnadu 641 658	S.F. No. 371/5, Karadivavi Road Paruvai Post, Karanampet Palladam 641 658

	Windmills	
Munduelampatti Village Erode District Tamil Nadu	Gudimangalam Athukinathupatti & Uthukuli Villages Coimbatore District Tamil Nadu	Vagatholuvu Kongalnagaram Virugalpatti Tirupur District, Tamil Nadu



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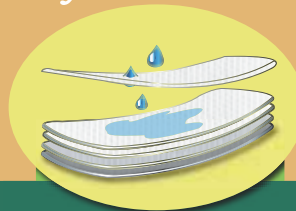
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Insert Pads



**SHIVA TEXYARN LIMITED**

A TECHNICAL TEXTILE COMPANY

REGD Off : 252, Mettupalayam Road, Coimbatore - 641 043



# SHIVA TEXYARN LIMITED

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

Phone: 0422-2435555

E-mail : shares@shivatex.co.in website : www.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)
E-mail ID
Folio No. / Client ID / DP ID

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

- Name : .....  
Address : .....  
E-mail ID : ..... Signature ..... or failing him /her
- Name : .....  
Address : .....  
E-mail ID : ..... Signature ..... or failing him /her
- Name : .....  
Address : .....  
E-mail ID : ..... Signature .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 38th Annual General Meeting of the Company to be held on Monday the 19th August, 2019 at 11.00 A.M. at "Nani Kalaiaragam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated overleaf.

P.T.O.

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### Electronic Voting Particulars

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

Event Number	User ID	* Default PAN / Sequence No.
190098		

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

✂ Cut here .....



# SHIVA TEXYARN LIMITED

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

Phone: 0422-2435555

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

CIN : L65921TZ1980PLC000945

### ATTENDANCE SLIP

#### Attendance by

Please ✓ the appropriate box

- Member
- Proxy
- Authorised Representative

Folio No. / Demat ID :

Name of Member :

Name of Proxy :

No. of Shares held :

I hereby record my presence at the 38th Annual General Meeting of the Company being held on Monday the 19th August, 2019, at "Nani Kalaiaragam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037, Tamil Nadu.

\* Strike out whichever is not applicable.

Signature of Member / Proxy\*

Resolution Number	Resolutions	Vote (Optional see Note 2) (Please mention No. of shares)		
		For	Against	Abstain
<b>Ordinary Business</b>				
1	Adoption of Financial Statements			
2	To declare dividend on equity shares			
3	Appointment of Sri S V Kandasami (DIN:00002470) as a Director liable to retire by rotation			
<b>Special Business</b>				
4	Appointment of Sri A Dhananjayan (DIN:08043947) as an Independent Director			
5	Appointment of Sri D Satish Krishnan (DIN:00052973) as an Independent Director			
6	Special Resolution for re-appointment of Sri K N V Ramani (DIN:00007931) as an Independent Director for a second term of five years			
7	Special Resolution for re-appointment of Sri S Marusamy (DIN:00610091) as an Independent Director for a second term of five years			
8	Ratification of remuneration payable to Sri M Nagarajan, Cost Auditor (Firm Registration No. 102133)			

Signed this ..... day of .....2019.

Signature of Shareholder .....

Signature of Proxy holder(s) .....

Affix 1 Re  
Revenue  
Stamp

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.

