



SHIVA TEXYARN LIMITED

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

GENERAL GUIDANCE TO COMPANY'S SHAREHOLDERS

Sub: Demerger – Cost of Acquisition of Shares -apportionment of cost of shares to the Shareholders, post demerger

The Hon'ble Company Law Tribunal, Division Bench, Chennai vide its order dated 23.8.2017 in Company Petition No. TCP/22 & 23/CAA/2017 had approved the Scheme of Arrangement (Demerger) entered with Shiva Mills Ltd (Resulting Company -formerly STYL Textile Ventures Ltd).

In terms of the above Scheme, as on the Record Date of 6th November, 2017, the Resulting Company will issue and allot 2 (TWO) equity shares of face value Rs.10/- each fully paid up for every 5 (FIVE) equity shares held in Shiva Texyarn Limited (Demerged Company) with a Capital Reduction in the same ratio of 2 (TWO) equity shares for every 5 (FIVE) equity shares held in the Demerged Company.

As per Section 49 (2C) of Income Tax Act, 1961, the cost of acquisition of the shares of the resulting company is to be computed by applying the proportion of the net book value of the assets of the Demerged Undertaking to the net worth of the Demerged Company immediately before the demerger. The cost of acquisition of shares of the Demerged Company post demerger shall be the original cost of acquisition reduced by the cost of acquisition ascertained for the shares of Resulting Company under Section 49 (2D) of the Act.

The shareholders may apportion their cost of shares held in Demerged Company as on the Record Date as under:

Name of the Company	% of cost of Shares of Demerged Company
Shiva Texyarn Limited (Demerged Company)	61.02%
Shiva Mills Ltd (Resulting Company - formerly STYL Textile Ventures Ltd)	38.98%
Total	100%

This communication is for the benefit of the shareholders and the Company takes no express or implied liability in providing this guidance.

Date: December 1, 2017
Place: Coimbatore.

For Shiva Texyarn Limited


Company Secretary