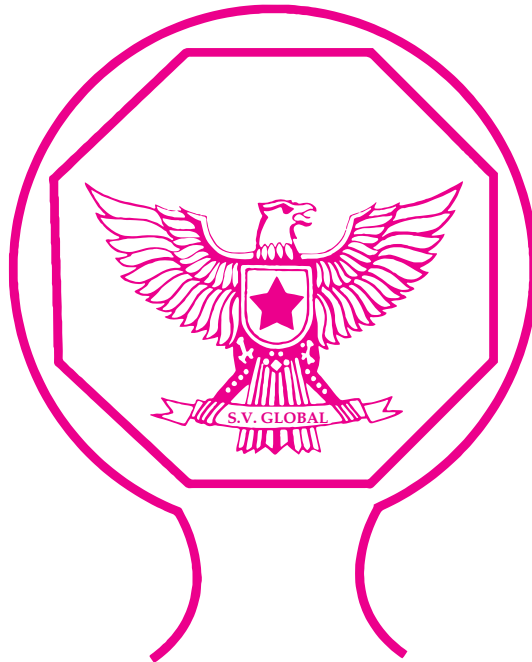


# **S V GLOBAL MILL LIMITED**

**CIN : L17100TN2007PLC065226**



## **12<sup>th</sup> ANNUAL REPORT AND ACCOUNTS**

**MARCH 2019**

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# S V GLOBAL MILL LIMITED

12<sup>th</sup> ANNUAL REPORT

MARCH - 2019

CIN : L17100TN2007PLC065226

|  |   |
|--|---|
| <b>BOARD OF DIRECTORS</b>                              | M. Ethiraj<br>Chairman<br><br>E. Shanmugam<br>Managing Director<br><br>S. Valli<br>Women Director<br><br><b><u>Independent Directors</u></b><br><br>Dr. K. Shivaram Selvakkumar<br>Y. Satyajit Prasad<br>N. Bala Baskar |
| <b>COMPANY SECRETARY &amp; CHIEF FINANCIAL OFFICER</b> | R. Sugumaran  |
| <b>REGISTERED OFFICE</b>                               | New No.5/1, (Old No.3/1), 6 <sup>th</sup> Cross Street,<br>CIT Colony, Mylapore, Chennai - 600 004.   |
| <b>AUDITORS</b>  | M/s. P. B. Vijayaraghavan & Co.,<br>Chartered Accountants, Chennai  |
| <b>BANKERS</b>   | M/s. City Union Bank Limited<br>G. T. Branch, Chennai - 600 001.  |

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## NOTICE OF 12<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 12th Annual General Meeting (AGM) of the members of **S V Global Mill Limited** will be held on Thursday, the 26th September 2019 at 10.30 A.M at the Registered Office of the Company situated at New No. 5/1, (Old No. 3/1), 6th Cross Street, CIT Colony, Mylapore, Chennai 600 004 to transact the following business:

### **ORDINARY BUSINESS:**

#### **Item No. 1 - Adoption of Audited Financial Statements.**

To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon.

#### **Item No. 2 - Re-appointment of a Director liable to retire by rotation.**

To appoint a Director in the place of Sri. M. Ethiraj (DIN 00041996) who retires by rotation and being eligible offers himself for re-appointment.

#### **Item No. 3 - Re-appointment of Statutory Auditors.**

To approve the re-appointment of the Auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee and the Board of Directors, the appointment of M/s. P B Vijayaraghavan & Co., Chartered Accountants, Chennai (Firm’s Registration No. 004721S) as the Auditors of the Company for a second term of 5 consecutive years from the conclusion of this meeting until the conclusion of 17th Annual General Meeting of the Company, be and is hereby approved and that the Board of Directors be and are hereby authorized to fix the remuneration payable to them as may be determined by the Audit Committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors.”

### **SPECIAL BUSINESS:**

#### **Item No. 4 - Re-appointment of Sri. Y. Satyajit Prasad (DIN 01011076) as an Independent Director for a second term.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Sri. Y. Satyajit Prasad (DIN 01011076), who was appointed as an Independent Director and who holds office of Independent Director for a term up to 31st March, 2019 and being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member 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 and to hold office for a second term of consecutive five years on the Board of the Company with effect from 01.04.2019 to 31.03.2024.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard.

**Item No. 5 - To consider and approve increase in Managerial Remuneration of the Managing Director as recommended by Nomination and Remuneration Committee.**

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

**“RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder, as amended, read with Schedule V to the Act, approval be and is hereby accorded to increase the managerial remuneration from Rs.5,00,000/- per annum to Rs.24,00,000/- per annum along with other perquisites as described below:

1. Free use of furnished accommodation owned by the Company located at No 5, 3rd Avenue, Boat Club Road, Chennai – 600 028 with amenities including Water, Gas, Electricity and Furnishings. The expenditure incurred by the Company on Water, Gas, Electricity and Furnishings will be evaluated as per Income Tax Rules, 1962.
2. Medical Reimbursement for self and family including premium payable for medical insurance in accordance with the rules of the Company.
3. Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
4. Fees of clubs subject to a maximum of two clubs. This will not include admission fee and life membership fee.
5. Personal Accident Insurance as per the rules of the Company.
6. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and payment of Gratuity as per rules of the Company.
7. Provision of Cars with driver for Company business, the value of which will be evaluated as per Income tax Rules, 1962.
8. Provision of telephone at the residence of the Managing Director.
9. Such other perquisites, benefits and amenities as may be provided by the Company to the other senior executives from time to time.

Explanation: Family means the spouse, dependent children and dependent parents of the appointee.

**“RESOLVED FURTHER THAT** the aforesaid remuneration be and is hereby approved as the minimum remuneration by way of basic salary and / other allowances not exceeding the limits specified under Section II of Part II of Schedule V of the Act, as amended, or such other limits as may be prescribed by the Government from time to time as minimum remuneration payable to Sri E.Shanmugam, even in case of absence or inadequacy of profits of the Company in any financial year during the currency of his tenure as Managing Director”.

**“RESOLVED FURTHER THAT** Sri. E. Shanmugam shall not be entitled to any sitting fee for attending the meeting of the Board of Directors or any Committee thereof”.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and/or the Nomination and Remuneration Committee be and is hereby authorized to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, expedient, usual and proper in the best interest of the Company.”

**By Order of The Board**  
**For S V GLOBAL MILL LIMITED**

Place: Chennai  
Date: 29.07.2019

**M. ETHIRAJ**  
**CHAIRMAN**  
**DIN: 00041996**

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No: 4

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder read with Schedule IV of the Companies Act, 2013, Sri. Y. Satyajit Prasad was appointed as an Independent Director of the Company by the Board of Directors for a period of 5 years till 31.03.2019. Pursuant to Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of up to five consecutive years, but shall be eligible for re-appointment on passing a special resolution by the Company. Further, pursuant to Section 149(11) of Companies Act, 2013, no independent Director shall hold office for more than two consecutive terms. Accordingly, on the recommendation of the Nomination & Remuneration Committee, the Board of Directors, at their meeting held on 04.02.2019 had, subject to the approval of members, proposed the appointment of Sri. Y. Satyajit Prasad as an Independent Director of the Company for a second consecutive term for a period of five years commencing from 01.04.2019 to 31.03.2024.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Sri. Y. Satyajit Prasad for the office of Independent Director, to be appointed as such under the provisions of Section 149, 152 and Schedule IV of the Companies Act, 2013.

The Company has also received from Sri. Satyajit Prasad (i) consent in writing to act as a Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, ("Appointment Rules") (ii) Intimation in Form DIR 8 in terms of the Appointment Rules to the effect that he is not dis-qualified under Section 164(2) of the Act, and (iii) A declaration to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Act.

In the opinion of the Board, Sri.Y. Satyajit Prasad, the director proposed to be appointed as an Independent Director, fulfils the conditions specified in the Companies Act, 2013, the Rules and the Listing Regulations made thereunder and he is Independent. The resolution seeks the approval of members for the appointment of Sri. Y. Satyajit Prasad as an Independent Director of the Company upto 31.03.2024 pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and his office shall not be liable to retire by rotation.

None of the Directors, key managerial personnel or their relatives except Sri. Y. Satyajit Prasad to whom the resolution relates, is interested or concerned in the resolution.

The Directors recommend the aforesaid Resolution for the approval by the Members as Special Resolution.

### Item No: 5

In the Annual General Meeting held on 13.12.2017, the Shareholders have approved the appointment of Sri. E. Shanmugam as the Managing Director of the Company for a period of five years, with effect from April 03, 2017 with a remuneration of Rs.5,00,000/- per annum and other perquisites.

It is proposed, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors and subject to provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modifications or re-enactment thereof) and Article 94 and 115 of Articles of Association of the Company, to increase the managerial remuneration from Rs.5,00,000 per annum to Rs.24,00,000/- per annum along with other perquisites which are more described in the draft resolution.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in this resolution except Sri. E.Shanmugam, Sri. M.Ethiraj and Smt. S.Valli.

The Directors recommend the aforesaid Resolution for the approval by the Members as an Ordinary Resolution.

**By Order of The Board**  
For S V GLOBAL MILL LIMITED

Place: Chennai  
Date: 29.07.2019

**M. ETHIRAJ**  
CHAIRMAN  
DIN: 00041996

**NOTES:**

**THE EXPLANATORY STATEMENT, PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (THE ACT, 2013) IN RESPECT OF THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING (AGM), AS SET OUT IN THE NOTICE IS ANNEXED HERETO.**

**Proxy**

1. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself and the proxy or proxies need not be member or members, as the case may be, of the Company.
2. A Proxy form for the AGM is enclosed. The instrument of Proxy, in order to be effective, must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. A person can act as a Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. A Member holding more than ten percent of the total Share Capital of the Company carrying voting rights may appoint a single Proxy and such Proxy shall not act as a Proxy for any other person or shareholder.
3. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
4. Members / Proxies / Authorized Representatives are requested to bring the duly filled attendance slip enclosed herewith to attend the meeting.
5. As a measure of economy, copies of the Annual Report will not be distributed at the venue of the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the meeting.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Additional information, pursuant to Regulation 36 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015, in respect of the Director seeking re-appointment at the AGM is furnished as an annexure to the Notice. The concerned Director has furnished consent/ declaration for his appointment as required under the Companies Act, 2013.
9. Pursuant to section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 20.09.2019 to 26.09.2019 (both days inclusive) for the purpose of 12th AGM.
10. The Register of Directors and Key Managerial Personnel and their shareholdings maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the AGM.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or to the Company's Registrar and Share Transfer Agent.

12. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least 7 working days prior to the Annual General Meeting so that the required information can be made available at the Meeting.
13. M/s. Cameo Corporate Services Ltd., 'Subramanian Building', 5th Floor, No: 1, Club House Road, Chennai – 600 002. Phone: 044 – 2846 0390 to 2846 0395 is the Company's Registrar and Share Transfer Agent (RTA) for physical transfer of shares and all correspondence may be addressed directly to them. In respect of shares held in dematerialized form, Members may send requests or correspond through their respective Depository Participants.
14. Members are requested to register / update their email ID's and addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agent (RTA). Members holding shares in physical form, in their own interest, are requested to dematerialize their shares to avail the benefits of electronic trading/holding.
15. Members who have multiple folios in identical names in the same order are requested to send all the Share Certificates either to the Company addressed to the Registered Office or to the Company's Registrar and Share Transfer Agent for consolidation of such folios into one to facilitate better services.
16. Members may also note that the Notice of the 12th AGM and the Annual Report will be available on the Company's Website [www.svgml.com](http://www.svgml.com) for their download and in the web-site of CDSL [www.evoting.com](http://www.evoting.com) or can obtain by writing to the Company's Registrar and Share Transfer Agent (RTA).
17. All documents referred to in the Notice calling the 12th AGM is available for inspection at the Registered Office of the Company during business hours between 3.00 PM and 5.00 PM on all working days of the Company up to the date of the AGM.
18. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days of notice in writing is given to the Company.
19. Electronic copy of the Annual Report and the Notice of the AGM inter alia indicating the process and manner of e-voting along with attendance slip and proxy form are being sent to all Members whose email ids are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.

### VOTING THROUGH ELECTRONIC MEANS

In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the Members to exercise their votes electronically through the electronic voting service provided by the Central Depository Services (India) Limited. Once a vote on the resolution is cast, the member shall not be allowed to change it subsequently.

The facility for voting through ballot paper will also be made available at the AGM and Members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes once again.

## S V GLOBAL MILL LIMITED - CHENNAI

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In case of Joint holders attending AGM, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 19.09.2019 and accordingly, Members as on the cut-off date as mentioned above only shall be entitled to avail the facility of remote e-voting or ballot paper.

A person who has acquired the shares and has become a Member of the Company after the dispatch of the Notice of the AGM and prior to the Cut Off Date i.e. 19.09.2019 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through Poll at the AGM by following the instructions mentioned in this part.

### **The instructions for shareholders voting electronically are as under:**

The voting period begins on 23.09.2019 at 09.00 A.M and ends on 25.09.2019 at 05.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (19.09.2019) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

### **In case of member receiving e-mail:**

|    |   |
|----|---|
| 01 | Log on to the e-voting website <a href="http://www.evotingindia.com">www.evotingindia.com</a> during the voting period.   |
| 02 | Click on "Shareholders".  |
| 03 | Now, select "S V GLOBAL MILL LIMITED" from the drop down menu and click on "SUBMIT".  |
| 04 | Now Enter your User ID<br>a. For CDSL: 16 digits beneficiary ID,<br>b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,<br>c. Members holding shares in physical form should enter the Folio Number registered with the Company. |
| 05 | Next enter the Image Verification as displayed and Click on Login.  |
| 06 | If you are holding shares in demat form and had logged on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier voting of any company, then your existing password is to be used.                       |

### **If you are a first time user follow the steps given below:**

|                       |   |
|-----------------------|---|
| PAN                   | <b>For Members holding shares in Demat Form and Physical Form</b><br>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.<br>Members who have not updated their PAN with the Company/Depository Participant are requested to enter their name in CAPITAL followed by the last 8 digits of the demat account / folio number in the PAN field.<br>In case the folio number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Folio No. 1 then enter RA00000001 in the PAN field. |
| Date of Birth         | Enter the date of birth as recorded in your demat account or in the Company records for the said demat account of folio in dd/mm/yyyy format.   |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the date of birth or dividend bank details in order to login. If the details are not recorded with the depository or Company please enter the Member id / folio number in the Dividend Bank details field.  |

After entering these details appropriately, click on "SUBMIT" tab.

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## S V GLOBAL MILL LIMITED - CHENNAI

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Members holding shares in physical form will then reach directly the EVSN (Company selection screen). However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

Click on the Electronic Voting Sequence Number (EVSN) along with "**S V Global Mill Limited**" from the drop down menu and click on "SUBMIT" on which you choose to vote.

On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution. Enter the number of shares (which represents number of votes) under "YES/NO" or alternatively you may partially enter any number in "YES" and partially in "NO", but the total number in "YES" and "NO" taken together should not exceed your total shareholding.

Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Notice/Resolution details.

After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

### **Note for Non – Individual Members (Institutional Shareholders) and Custodians:**

Institutional shareholders (i.e. other than Individuals, HUFs, NRI etc.,) and Custodians are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scan copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

## S V GLOBAL MILL LIMITED - CHENNAI

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In case of members receiving the physical copy, please follow all steps as above to cast vote.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). On the alternative, they may also contact CDSL on Toll free Number 1800-200-5533.

**The Company has appointed Sri. R. Kannan, practicing Company Secretary, Chennai (C.P.No. 3363) to act as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.**

The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Annual General Meeting, thereafter unblock the votes cast through e-voting in the presence of two witnesses not in the employment of the Company and make, not later than three working days from the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favor or against, if any to the Chairman or a person authorized by him in writing who shall counter-sign the same. Thereafter, the Chairman or the person authorized by him in writing shall declare the result of the voting forthwith.

The results declared alongwith the scrutinizer's report will be placed on the Company's web-site [www.svgml.com](http://www.svgml.com) and on the web-site of CDSL immediately after the result is declared by the Chairman/ Authorized person and the results will also be communicated to the Stock Exchange where the shares of the Company are listed.

**By Order of The Board**  
For S V GLOBAL MILL LIMITED

Place: Chennai  
Date: 29.07.2019

**M. ETHIRAJ**  
CHAIRMAN  
DIN: 00041996

**ANNEXURE**

ADDITIONAL INFORMATION ON THE DIRECTOR RECOMMENDED FOR RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

|  |  |
|--|--|
| Name of the Director   | Sri.M.Ethiraj  |
| Date of Birth  | 21.01.1934   |
| Date of Appointment  | 13.10.2007   |
| Expertise in specific functional areas   | He has over 5 decades of rich experience in varied industries like Sugar, Textile, Chemicals and Real Estate.  |
| Disclosure of relationship between Directors inter-se  | Father of Sri. E. Shanmugam, Managing Director and Smt. Valli.S, Director  |
| Chairmanship / Directorship of other Companies (excluding Foreign Companies and Section 8 Companies) | S V Global Finance Private Limited<br>The Thirumagal Mills Limited<br>Thirumagal Enterprise Limited<br>Sriraj Mills Private Limited<br>Srinidhi Finance Private Limited<br>Tiger Farms and Enterprise Private Limited<br>Artha Farms Limited<br>Artha Trading Private Limited<br>S V Technology Solutions Private Limited<br>Vasantha Ethiraj Foundation |
| Committee position held in other Companies   | Nil  |
| Shareholding in the Company  | 20,14,920 Equity Shares of Rs.5/- each.  |
|  |  |
| Name of the Director   | Sri. Y. Satyajit Prasad  |
| Date of Birth  | 30.03.1969   |
| Date of Appointment  | 29.04.2010   |
| Expertise in specific functional areas   | He has over 3 decades of rich experience in varied industries like Sugar, Engineering and Textile.   |
| Disclosure of relationship between Directors inter-se  | NIL  |
| Chairmanship / Directorship of other Companies (excluding Foreign Companies and Section 8 Companies) | S V Global Finance Private Limited<br>Challapalli Concerns Private Limited<br>Amaravathi Cranes &Structurals Private Limited<br>Srijanani Knitting Private Limited<br>Star Scape Communications Private Limited<br>The Thirumagal Mills Limited  |
| Committee position held in other Companies   | Nil  |
| Shareholding in the Company  | NIL  |

**By Order of The Board  
For S V GLOBAL MILL LIMITED**

Place: Chennai  
Date: 29.07.2019

**M. ETHIRAJ  
CHAIRMAN  
DIN: 00041996**

**DIRECTORS' REPORT FOR FY- 2018-'19.**

To

The Members,

Your Directors have pleasure in presenting their 12th Annual Report of the Company together with the audited financial statements for the year ended March 31, 2019.

**Financial Highlights**

| Particulars  | Rs. in Lakhs    |                 |                 |
|--|-----------------|-----------------|-----------------|
|  | Standalone      |                 | Consolidated    |
|  | FY: 2018 – '19. | FY: 2017 – '18. | FY: 2018 – '19. |
| Revenue from Operations                            | 101.20          | 1064.68         | 1236.81         |
| Other Income                                       | 1013.73         | 700.46          | 308.12          |
| Total Income                                       | 1114.93         | 1765.14         | 1544.93         |
| Profit before exceptional items Depreciation & Tax | -1666.52        | 1096.98         | -1262.35        |
| Exceptional items                                  | 44.20           | 233.35          | 44.20           |
| Less: Depreciation                                 | 30.79           | 31.24           | 30.79           |
| : Tax Expense                                      | 105.75          | 266.70          | 231.16          |
| Profit after Tax                                   | -1847.26        | 565.69          | -1568.49        |

**Consolidated Financial Statements**

The consolidated financial statements have been prepared pursuant to the provisions of the Companies Act, 2013 as also the Listing Agreement entered in to with the stock exchange. The statements have been prepared in accordance with the IND AS as prescribed by the ICAI. The consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129 of the Act, 2013 read with the Companies (Accounts) Rules, 2014 and Regulation 33 of SEBI (LODR) Regulations along with a separate statement containing the salient features of the financial performance of subsidiaries / associate in the prescribed form.

**Overview of Operations**

For the financial year under review, the total income stood at Rs.1544.93 lakhs on a consolidated basis. The PAT stood at Rs.-1568.49 Lakhs, due to the provision of Rs.21,34,19,601/- on account of admission of Padmaadevi Sugars Limited (formerly Known as S V Sugar Mills Limited) in NCLT. Padmaadevi Sugars Limited is a non-related, public limited Company in whose name, the amount was outstanding in the books of accounts of our Company, on account of a book entry devolved from Binny Limited, as the result of demerger.

**Subsidiary**

S V Global Finance Private Limited in their Board meetings held on 4.05.2019, 03.06.2019 and 08.07.2019 declared interim dividend for the financial year 2018-19 as detailed below:

## S V GLOBAL MILL LIMITED - CHENNAI

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- a. Rs. 0.15 per share (1.5%) Rs.19,50,000
- b. Rs.0.11 per share ( 1.1%) Rs.14,30,000
- c. Rs.0.14 per share (1.4%) Rs.18,20,000

The audited consolidated financial statements together with Auditors' Report form part of the Annual Report. The audited financial statements of the subsidiary company will be made available to the shareholders, on receipt of request from any shareholder and it has also been placed on the website of the Company [www.svgml.com](http://www.svgml.com). This will also be available for inspection by the shareholders at the registered office during the business hours.

The separate statement containing the salient features of the financial statements of the above named subsidiary in Form AOC -1 as Annexure "B" forms part of consolidated financial statements in compliance with Section 129(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014.

### Dividend

In order to conserve the funds for future operations, no dividend is being proposed for the financial year 2018-'19.

### Transfer to Reserves

Appropriation to general reserves for the financial year ended March 31, 2019 as per standalone and consolidated financial statements are as under:

| Particulars   | (Rs. in Lakhs) |              |
|---|----------------|--------------|
|   | Standalone     | Consolidated |
| Balance of General Reserve at the beginning of the year | 16669.92       | 16721.85     |
| Add: Net Profit for the year                            | -1847.25       | -1568.49     |
| Less: Adjustment for Extinguishment of Shares           | 9788.18        | 9788.18      |
| Balance of General Reserve at the end of the year       | 5034.49        | 5365.18      |

### Company's Working /State of Affairs

The Company operates in one segment i.e., Real Estate business and the subsidiary company S V Global Finance Private Limited operates as an NBFC (non-deposit). During the Financial Year 2018-'19, the revenue of the Company on standalone basis is Rs.1114.94 Lakhs (P.Y. Rs.1765.14 Lakhs) earned towards revenue from operations and other income. The revenue of the subsidiary during the Financial Year 2018-'19 is Rs.1137.47 Lakhs (P.Y. Rs.133.99 Lakhs) earned towards revenue from operations and other income.

The Honourable Supreme Court while disposing of the SLP filed by the Company against the order of Hon'ble High Court of Madras on the issue relating to non-election of a director and related corporate governance issues, vide its order dated 10.05.2018 and 17.05.2018, directed that the Company to buy the shares of respondents 1 to 6 at the price of Rs.100 crores within a period of 9 months from the date of the order. On payment, the share capital of the Company shall stand reduced by virtue of the order. The Hon'ble court further held that the buyback of share will not trigger the SEBI Takeover Regulations. The observations of the High Court will not bind in any other proceedings between the parties.

In compliance with the order of the Hon'ble Supreme Court of India dated 25.02.2019, the company deposited an amount of Rs.100 crore with the Court Registry on 06.03.2019. Thereafter, the Hon'ble Supreme Court vide its order dated 29.03.2019 directed the effecting of buyback and cancellation of shares.

Accordingly, the company has given effect to the same in the books of accounts resulting in reduction in the Equity Share Capital from Rs.11,15,97,050 to Rs.9,04,14,850. The balance of Rs.97,88,17,800 after reduction of shares has been adjusted against the free reserves of the company resulting in reduction of free reserves from Rs.140,27,65,556 to Rs. 42,39,47,756. Upon transfer of the loss of the current financial year amounting to Rs.18,47,25,260 the free reserves stands at Rs.23,92,22,496.

### **Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.**

There are no significant and material orders passed by the Regulators / Courts or tribunals that would impact the going concern status of the Company and its future operations.

### **Internal Financial Control and Risk Management**

The Company has an established Internal Financial Control framework including internal controls over financial reporting, operating controls and anti-fraud framework. The frame work is reviewed regularly by the Management and tested by internal audit team and presented to the Audit and Risk Management Committee. Based on periodical testing, the framework is strength ened from time to time, to ensure adequacy and effectiveness of Internal Financial Control.

The established controls are constantly assessed and strengthened with new / revised standard operating procedures. The Company has adopted policies and procedures for ensuring adherence to the Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and reliability of accounting records and timely preparation of reliable financial disclosures.

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 the Company has framed a Risk Management Policy. In the opinion of the Board, there appears to be no element of risk which may threaten the existence of the Company.

### **Internal Audit**

The internal audit is entrusted to M/s. Kalyanasundaram& Associates, Chartered Accountants to ensure that necessary controls are in place at all levels and all transactions are adequately authorized and reported correctly. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee and to the Managing Director of the Company. The Audit Committee of the Board actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. Significant internal audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board periodically.

### **Public Deposits**

The Company has not accepted any deposit from the public within the meaning of Chapter V of the Companies Act 2013 for the year ended 31st March 2019.

### **Statutory Auditors**

Pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s. P. B. Vijayaraghavan and Co., Chartered Accountants, Chennai (Firm Regn. No:004721S), had been appointed as the Statutory Auditors of the Company to hold their office for a term of three consecutive financial years commencing from FY 2016-'17 to 2018-'19 . Hence, a proposal is placed before the shareholders to reappoint M/s. P. B. Vijayaraghavan and Co., Chartered Accountants, Chennai (Firm Regn. No:004721S), as Statutory Auditors of the Company for a second term of 5 consecutive years from the conclusion of this Annual General Meeting until the conclusion of 17th Annual General Meeting of the Company

### **Auditors' Report**

The Statutory Auditors' Report for the Financial Year 2018-'19 does not contain any qualification, reservation or adverse remarks and the same is enclosed with the audited financial statements in this Annual Report.

### **Share Capital**

During the year under review, the Company has neither issued shares with differential voting rights, sweat equity shares and employees stock options nor has it resorted to buy back of its securities.

### **Extract of Annual Return**

The extract of Annual Return as on March 31, 2019 in Form No. MGT - 9 as required under Section 92 and in accordance with Section 134(3)(a) of the Companies Act, 2013 read with Companies (Accounts) Rules 2014 is annexed herewith as Annexure "F" and forms part of the Board's Report.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The particulars prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are not applicable. There was no foreign exchange inflow or outflow during the year under review.

### **Corporate Social Responsibility (CSR)**

Your Company has a deep sense of caring the needy; improve the quality of life of the communities it serves. Pursuant to Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee.

The Composition of the CSR Committee, Web-link to the CSR Policy is annexed herewith as Annexure "A".

### **Directors and Key Managerial Personnel**

#### **Retirement of Directors by Rotation**

In terms of the provisions of sub-section (6) read with explanation to Section 152 of the Act, 2013 two-thirds of the total number of Directors i.e., excluding Independent Directors, are liable to retire by rotation and out of which, one-third is liable to retire by rotation at every Annual General Meeting.

Pursuant to Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, Sri. M. Ethiraj, Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible offers himself for re-appointment.

The resolution, seeking approval of the members, of the re-appointment of Sri. M. Ethiraj who is retiring by rotation is incorporated in the Notice of the ensuing Annual General Meeting along with brief details about him. The Board recommends the above appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

#### **Reappointment of Sri.Y.Satyajit Prasad as Independent Director**

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder read with Schedule IV of the Companies Act, 2013, Sri. Y. Satyajit Prasad was appointed as an Independent Director of the Company for a period of 5 years till 31.03.2019. Accordingly, on the recommendation of the Nomination & Remuneration Committee, the Board of Directors, at their meeting held on 04.02.2019 had, subject to the approval of members, proposed the appointment of Sri. Y. Satyajit Prasad as an Independent Director of the Company for a second consecutive term for a period of five years commencing from 01.04.2019 to 31.03.2024.

The resolution seeking approval of the members for the re-appointment of Sri. Y. Satyajit Prasad as independent director has been incorporated in the Notice of the ensuing Annual General Meeting along with brief details about him. The Board recommends the above appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

All the Independent Directors of the Company have submitted a declaration under Section 149(7) of the Companies Act, 2013 that each of them meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(b) of SEBI (LODR) Regulations, 2015 and there has been no change in the circumstances which may affect their status as an Independent Director during the year.

### **Change in Chief Financial Officer/Company Secretary**

During the year Sri. K. Murali, Company Secretary of the company had resigned and relieved from the services on 11th May 2019 and Mr. R. Sugumaran, the present Chief Financial Officer was appointed as Company Secretary of the company effective 13th May 2019, based on the recommendation of the Nomination and Remuneration Committee and he would also hold the post of Chief Financial Officer, till a regular Chief Financial Officer is appointed.

### **Key Managerial Personnel**

Pursuant to the provisions of Section 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the following are the Key Managerial Personnel of the Company:

1. Mr. E. Shanmugam – Managing Director
2. Mr. R. Sugumaran – Company Secretary and Chief Financial Officer

### **Committees of the Board, its constitution and details of Meetings of the Board and other Committees of the Board held during FY 2018-'19:**

Brief details are provided in the Corporate Governance Report as per Annexure “D”.

### **Annual Performance Evaluation**

In line with the criteria evolved by the Nomination and Remuneration Committee, the performance of the Chairman, Managing Director, other Directors, Committees, Key Managerial Personnel and Senior Executives have been evaluated considering various evaluation aspects.

### **Policy on Vigil Mechanism**

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of its Board and its Powers) Rules, 2014 and in accordance with Regulation 22 of SEBI (LODR) Regulations, 2015 the Company has an established Policy on Vigil Mechanism for Directors / Employees and other stakeholders of the Company to report concerns about unethical behaviors, actual or suspected fraud, or violation of the Company's Code of conduct or ethics policy. The policy also provides a direct access to the Chairman of the Audit Committee to make protective disclosures to the management about the grievances or violation of the Company's code of conduct. The policy is disclosed on the Company's website [www.svgml.com](http://www.svgml.com).

### **Policies**

The Board of Directors of the Company have from time to time framed and approved various Policies in pursuance of the Companies Act, 2013 and the Listing Agreement/ SEBI (LODR) Regulations, 2015. These Policies and Codes are reviewed by the Board and are updated, if required. The following policies have been framed and has been disclosed on the Company's website [www.svgml.com](http://www.svgml.com):



1. Related Party Transaction Policy.
2. Policy on Material Subsidiary.
3. CSR Policy.
4. Whistle Blower Policy consisting of Vigil Mechanism.
5. Policy on determination of Materiality of Events or Information.
6. Code of Ethics and Business Principles applicable to Directors and Senior Management
7. Familiarization Program for Independent Directors.
8. Code of Conduct for Prohibition of Insider Trading.
9. Performance Evaluation Policy.

### **Particulars of Loans, Guarantees or Investments**

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013 read with Rule 11(1) of Companies (Meetings of Board and its Powers) Rules 2014 except to its wholly owned subsidiary company viz., S V Global Finance Private Limited a loan of Rs.23.95 crores and made investment in the Equity Shares of Rs.13.00 crores .Please refer to Note 3 of notes on accounts on the standalone financial statements for the financial year 2018-19 for details of investment made by the company.

### **Related Party Transactions**

The Audit Committee and the Board of Directors have approved the related party policy and the same has been hosted on the Company's website [www.svgml.com](http://www.svgml.com). The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

The transactions entered into with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definition Details) Rules, 2014 were in the ordinary course of business and at arm's length basis. There were no materially significant transactions with related parties during the Financial Year 2018-'19 which were in conflict with the interest of the Company.

Suitable disclosures as required in Accounting Standard (AS) 18 have been made in the notes to the financial statements. Details of contracts / arrangements with related parties as required under Section 188 (1) and 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 have been disclosed in Form AOC-2 and is attached as Annexure "C" (Form AOC-2) as annexed, which forms an integral part of this Report.

**Comparative Analysis of Remuneration paid to the Directors and Employees**

|  |   |
|--|---|
| The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;  | No remuneration was paid except sitting fee to Non-Executive Directors to attend the Board Meetings. Managing Director is paid a remuneration of Rs. 5,00,000/- per annum. Accordingly the ratio is 0.30 : 1. |
| The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year; Others not applicable  | NIL   |
| The percentage increase in the median remuneration of employees in the financial year.   | NIL   |
| The number of permanent employees on the rolls of company  | 13  |
| The explanation on the relationship between average increase in remuneration and company performance   | Not applicable, since the Company's performance is not measurable   |
| Comparison of remuneration of the Key Managerial Personnel against the performance of the Company.   | As above  |
| Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstance for increase in the managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Average percentile increase in salaries of non-managerial Employees - NIL   |
| Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.  | As above  |
| The key parameters for any variable component of remuneration availed by the Directors.  | N.A   |
| The ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.   | N.A   |
| Affirmation that the remuneration is as per the remuneration policy of the company.  | Yes   |

**Secretarial Audit Report**

Pursuant to Section 204 (1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Secretarial Audit Report for FY 2018-'19 in Form No. MR-3 issued by a Company Secretary in practice is enclosed as Annexure "E" and forms an integral part of this report. The Secretarial Audit report does not contain any qualification, reservation or adverse remarks.

**Report on Corporate Governance**

Your Company is in compliance with the Corporate Governance guidelines, as laid out in the SEBI (LODR) Regulations. All the Directors and the Senior Management personnel have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company.

As per Regulation 34 (3) read with Schedule V of the SEBI (LODR) Regulations, 2015, a separate section as per Annexure "D" on Corporate Governance practices followed by the Company together with a certificate from a practicing Company Secretary confirming compliances forms an integral part of this report.

The Managing Director and the Chief Financial Officer of the Company have certified to the Board on financial statements and other matters in accordance with Regulation 17(8) of the SEBI (LODR) Regulations, 2015 pertaining to MD / CFO Certification for the Financial Year ended 31st March, 2019.

### Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm:

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- b) that the Directors had 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 or loss of the Company for the year ended on that date;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the annual accounts for the financial year ended 31st March, 2019 on a going concern basis;
- e) that the Directors had laid down policies and procedures adopted by the Company for internal financial controls for ensuring 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 and that such internal financial controls are adequate and were operating effectively; and
- f) that as required under Section 134(5)(f) of the Companies Act, 2013, the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Acknowledgements and Appreciation

The Board of Directors of the Company wishes to place on record their deep sense of gratitude to all the Shareholders of the Company for their consistent support and continued faith reposed in the Company. The Board would also like to express their deep sense of appreciation to the various Central and State Government Departments, Bankers, Organizations and Agencies, external Professionals associated with the Company for their continued help and co-operation extended by them and last but not the least, to Employees at all levels for their hard work and commitment.

**By Order of the Board**

Place: Chennai  
Date: 29.07.2019

**M. ETHIRAJ**  
Chairman  
DIN: 00041996

**E. SHANMUGAM**  
Managing Director  
DIN: 00041968

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC REVIEW

The Indian economy is in limbo in spite of various economic measures adopted by the GOI. The turnaround in the economy was not more than the expected levels with construction activities are yet to register recovery in the fourth quarter. The GDP growth for the year ended 31st March 2019 stood at 6.8% which is not in line with the estimates of the GOI. The World Bank in its India economic survey estimates the growth to be around 7.5% in the year 2019-20.

### THE INDIAN REAL ESTATE SECTOR

With the slackness in the economic fundamentals, poor demand and supply infusion across sectors, India's real estate sector is stagnant in 2019.

Office – After a landmark 2018, the sector is looking forward to a strong year as new sources of demand emerge and quality supply enters the market.

- Retail - Almost 10-12 million sq. ft. of supply is expected this year, even as experiential retail and omni-channel will continue to redefine the sector.
- Industrial / Logistics – Close to 60 million sq. ft. of new space will be added till 2020; the share of grade A supply is expected to increase.
- Residential – Sales and new launches expected to improve; affordable and mid segment to lead amidst government initiatives and developer realignment of product-mix.
- Capital Markets – Appetite for greenfield might strengthen; core assets will also continue to be favoured; due diligence and counter-party credibility to come into sharper focus.

Passing of RERA had ensured accountability, and transparency in real estate activities and uniformity in real estate practices. With the adoption of innovative technologies such as artificial intelligence, big data, data science, business process are increasingly automated and this would in turn help to improve business operations.

### BUSINESS OUTLOOK

Historically real estate prices have traditionally remained soft ahead of the elections, but have regained momentum afterwards. While the polls might not substantially impact property prices, they could slow down policy clearances and infrastructure projects critical to real estate. A stable government at the centre in 2019 will further boost the growth in the sector.

The lack of credit off take compounded by the current NBFC crisis has been a cause of worry for stakeholders in the sector. Despite the concerns, the economic indicators have remained positive with India's GDP growth rate pegged at 7.3 percent and inflation been reined in at 4.8 percent in 2018.

In 2018, developers largely focussed on clearing existing inventory and adjusting to the new policy requirements. The increased transparency and accountability has created a more efficient environment which has found favour with both domestic and institutional investors. The stringent measures enforced by Real Estate Regulatory Authority (RERA) has erased out non serious players and only credible developers with proven track record are driving the market, both organically and via consolidation. This is expected to continue in 2019 as well and we will see established names further capitalize on their brand to strike joint development deals with smaller players.

The implementation of title insurance that will lead to renewed confidence among buyers and will definitely impact the real estate market favourably. Digitisation of land records will further aid in improving transparency in the land records maintenance, updating settlement records and reducing the scope of land disputes, thereby enhancing the real estate market.

Affordable and mid-income housing took centre stage in 2018 will continue to drive residential housing both in metro and Tier 2 cities. There has been an uptick of almost 15-20 percent with preference for ready to move in units owing to RERA and GST benefits. The massive push for improvement in infrastructure by the Government of India (GOI), including significant capital expenditure for roads, railways, development of smaller airports and expansion of schools and hospitals at the outskirts will benefit this segment further. This will provide better connectivity and have a multiplier effect thereby allowing developers to explore new projects in the peripheral areas of the cities.

The Logistics & Warehousing sector have gained significant traction this year after the centre granted infrastructure status to logistics. It is showing a massive growth owing to large infusion of foreign capital.

The commercial space in real estate is expected to remain the most buoyant force in the sector. Growing demand for Grade A office spaces across major cities, including new sectors like co-working spaces that is further expected to push the demand for commercial properties. The government's push towards promoting start-ups and developing smart cities will create a lucrative environment for businesses to work and expand. Major markets in South India such as Bangalore and Chennai can gain further traction owing to fair pricing, increasing growth of IT companies.

Real Estate Investment Trusts (REIT) listings in 2019 will infuse liquidity in commercial real estate. It will fuel demand for office space from major sectors like logistics, manufacturing and consumer goods, besides IT and ITeS and the banking and financial services sectors. Rentals in metros and Tier-1 and Tier-II cities will continue to remain in demand.

Developer's focus will further shift to customer centricity through the use of technology and digital platforms in the coming year. The ability to predict human behaviour through qualitative data analysis of social media such as 'likes' on Facebook, YouTube videos, twitter feeds and similar trends have become a game changer for the real estate sector. This will help them customize as per the ever evolving needs of the buyer.

Our Company is looking for suitable avenues to identify new projects and business opportunities. It is waiting for the opportune time as the market is not very clear in respect of the growth. As the political scene getting stabilized, the market will open for better business opportunities.

## ANNEXURE – A

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

**1. A brief outline of the Company's CSR policy**

The Company's CSR policy encompasses giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the transformation and sustainable development of the rural communities at large.

**2. Web-link to the CSR Policy**

<http://www.svgml.com/index.php/policies9/csr-policy.html>

**3. Composition of the CSR Committee**

Pursuant to Section 135 of the Companies Act, 2013 the Company has constituted a CSR Committee comprising of 4 directors including 2 Independent Directors as under :

| Name                        | Position |
|-----------------------------|----------|
| Sri. M .ETHIRAJ             | Chairman |
| Sri. E. SHANMUGAM           | Member   |
| Dr. K. SHIVARAM SELVAKKUMAR | Member   |
| Sri. N. BALA BASKAR         | Member   |

**4. The Company has contributed Rs. 9 Lakhs for the year 2017-18, to Adyar Cancer Institute towards CSR Activities.**

**By Order of the Board**

Place: Chennai  
Date: 29.07.2019

**M. ETHIRAJ**  
Chairman  
DIN: 00041996

**E. SHANMUGAM**  
Managing Director  
DIN: 00041968

**ANNEXURE – B**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures**

**Part A Subsidiaries**

(Information in respect of each Subsidiary to be presented with amounts in Rs.)

| <b>Sl. No.</b> | <b>Particulars</b>                            | <b>S V GLOBAL FINANCE PVT LTD<br/>(Wholly Owned Subsidiary)</b> |
|----------------|---|---|
| 1              | The date since when subsidiary was acquired   | 14.09.2016  |
| 2              | Reporting period for the subsidiary concerned | 01.04.2018 to 31.03.2019  |
| 3              | Reporting currency                            | INR   |
| 4              | Share capital                                 | 13,00,00,000  |
| 5              | Reserves & Surplus                            | 3,30,69,897   |
| 6              | Total Assets                                  | 41,75,95,789  |
| 7              | Total Liabilities                             | 41,75,95,789  |
| 8              | Investments                                   | -   |
| 9              | Turnover                                      | 11,37,47,115  |
| 10             | Profit before taxation                        | 4,43,28,518   |
| 11             | Provision for taxation                        | 1,25,41,000   |
| 12             | Profit after taxation                         | 3,17,87,518   |
| 13             | Proposed Dividend                             | 52,00,000   |
| 14             | Extent of shareholding (in percentage)        | 100%  |

**By Order of the Board**

Place: Chennai  
Date: 29.07.2019

**M. ETHIRAJ**  
Chairman  
DIN: 00041996

**E. SHANMUGAM**  
Managing Director  
DIN: 00041968

**ANNEXURE – C**

**FORM No. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014).

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis: **NIL**

Details of material contracts or arrangements or transactions at Arm's length basis are as follows:

| <b>Sl. No.</b> | <b>Particulars</b>  | <b>Details</b>   |  |
|----------------|---|--|--|
| 1              | Name (s) of the related party & nature of relationship                                    | Sri. M. Ethiraj,<br>Chairman<br>Sri. E. Shanmugam<br>Managing Director | S V Global Finance Private Limited (Wholly Owned Subsidiary) |
| 2              | Nature of transaction   | NA   | Loans  |
| 3              | Duration of the contracts/arrangements/ transaction                                       | NA   | 01.04.2018 to 31.03.2019                                     |
| 4              | Salient terms of the contracts or arrangements or transaction including the value, if any | NIL  | 23.95 Crores @ 10% p.a.                                      |
| 5              | Date of approval by the Board   | NA   | 28.12.2017   |
| 6              | Amount paid as advances, if any   | NIL  | NA   |

**By Order of the Board**

Place: Chennai  
Date: 29.07.2019

**M. ETHIRAJ**  
Chairman  
DIN: 00041996

**E. SHANMUGAM**  
Managing Director  
DIN: 00041968



## ANNEXURE – D

### REPORT ON CORPORATE GOVERNANCE

Your Directors present the Companies Report on Corporate Governance for the year ended March 31, 2019 in terms of Regulation 34 (3) read with Schedule V of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“The Listing Regulations”).

#### COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE.

SV Global Mill Limited’s philosophy on Corporate Governance is about intellectual honesty whereby the governance is not just about encompassing regulatory and legal requirements but also dwells deeper into the ethical leadership and stability. The Company’s Code of Conduct for Directors and Senior Management, robust Board governance processes and strong audit mechanisms reflects our commitment to good Corporate Governance framework in all facets of procedures and reporting systems with strong emphasis on transparency, accountability and integrity.

#### GOVERNANCE STRUCTURE

##### 1. BOARD OF DIRECTORS

The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company’s management while discharging its responsibilities, thus ensuring that the Management adheres to ethics, transparency and disclosures.

##### 2. COMMITTEES OF THE BOARD

The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee. Each of the said Committee has been mandated to operate within a given framework.

#### COMPOSITION AND CATEGORY OF DIRECTORS.

The Board is broad based and consists of eminent individuals from Industrial, Managerial, Financial and Marketing background with considerable expertise and experience to guide the management in the operations of the company. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. The Company has a diversified Board with judicious combination of Executive and Non-Executive Directors. As at March 31, 2019, the Board comprised of one Executive Director, five Non-executive Directors including one Woman Director. Three out of five non-executive directors are Independent Directors. All the Independent Directors satisfy the criteria of independence as defined under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations, 2015).

The names and categories of the Directors on the Board, their attendance at Board meetings held during the financial year 2018-19 and the number of directorships and committee chairmanship(s) / membership(s) held by them in other public companies as on March 31, 2019 are given herein below:

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| S. No. | Name of the Director                                      | Category                                       | No. of Board Meetings during the year 2018-'19 |          | No. of Directorship in other Public Companies* |          | No. of Committee Positions held in other Public Companies (including S V Global Mill Limited) |        | Whether attended last AGM |
|--------|---|--|--|----------|--|----------|---|--------|---------------------------|
|        |   |  | Held   | Attended | Chairman                                       | Director | Chairman  | Member |                           |
| 1      | Sri M. ETHIRAJ<br>Chairman<br>(DIN: 00041996)             | Promoter,<br>Non-Independent,<br>Non-Executive | 4  | 4        | 2  | 2        | 2   | 1      | Yes                       |
| 2      | Sri. E. SHANMUGAM<br>Managing Director<br>(DIN: 00041968) | Promoter,<br>Non-Independent,<br>Executive     | 4  | 4        | -  | 2        | -   | 3      | Yes                       |
| 3      | Smt. S. VALLI<br>Women Director<br>(DIN: 00468218)        | Promoter,<br>Non-Independent,<br>Non-Executive | 4  | 4        | -  | 1        | -   | -      | Yes                       |
| 4      | Sri. P. S. PANDYAN<br>(DIN: 01463849)                     | Independent<br>Director,<br>Non-Executive      | 4  | 4        | -  | -        | 2   | 1      | Yes                       |
| 5      | Dr. K. SHIVARAM<br>SELVAKKUMAR<br>(DIN: 02384372)         | Independent<br>Director,<br>Non-Executive      | 4  | 3        | -  | 2        | 2   | 2      | Yes                       |
| 6      | Sri. Y. .SATYAJIT<br>PRASAD<br>(DIN: 01011076)            | Independent<br>Director,<br>Non-Executive      | 4  | 3        | -  | 1        | -   | 2      | No                        |
| 7      | Sri. N. BALA BASKAR<br>(DIN: 00469656)                    | Independent<br>Director,<br>Non-Executive      | 4  | 1        | -  | 2        | -   | 4      | No                        |

### Notes:

- \*Excluding Directorship in S V Global Mill Ltd & subsidiary. Directorship held in Private Limited Companies, Foreign Companies and Companies formed under Section 8 of the Companies Act, 2013 alternate Directorship are also excluded.
- For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 (1)(b) of SEBI LODR Regulations, 2015.
- The Independence of a Director is determined by the criteria stipulated under Regulation 16 (1)(b) of SEBI LODR Regulations, 2015 and Section 149 (6) of the Companies Act, 2013.
- None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- None of the Directors on the Board hold directorship in more than 20 Companies or more than 10 public Companies whether listed or not. Necessary disclosures regarding Directorship positions in other Companies as on March 31, 2019 have been made by the Directors.
- None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees pursuant to Regulation 26 of the SEBI LODR Regulations, 2015 across all public companies, whether listed or not, in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors.

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- None of the Directors of the Company are holding position of Independent Director in more than seven listed companies.
- Sri. M.Ethiraj, Sri. E. Shanmugam and Smt. S.Valli are related to each other.
- Details of Directors re-tiring or being re-appointed at the ensuing Annual General Meeting have been furnished in the Notice convening the Annual General Meeting of the shareholders along with their brief profiles.

### SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

| S.No. | Name of the Director            | Category                                    | Number of Equity Shares held |
|-------|---------------------------------|---|------------------------------|
| 1     | Sri. M. ETHIRAJ<br>Chairman     | Promoter, Non-Independent,<br>Non-Executive | 20,14,920                    |
| 2     | Smt. S. VALLI<br>Women Director | Promoter, Non-Independent,<br>Non-Executive | 18,800                       |
| 3     | Sri. P. S. PANDYAN              | Independent Director,<br>Non-Executive      | Nil                          |
| 4     | Dr. K. SHIVARAM<br>SELVAKKUMAR  | Independent Director,<br>Non-Executive      | Nil                          |
| 5     | Sri. Y. SATYAJIT PRASAD         | Independent Director,<br>Non-Executive      | Nil                          |
| 6     | Sri. N. BALA BASKAR             | Independent Director,<br>Non-Executive      | Nil                          |

The Company does not have any convertible instrument as on date.

### FAMILIARIZATION PROGRAM FOR BOARD MEMBERS

Pursuant to Regulation 25 of SEBI LODR Regulations, 2015 the Company has conducted familiarization programs for its Independent Directors by providing them internal policies, company's procedures and practices like the Code of Conduct for the Directors, the Code of Conduct to regulate, monitor and report trading by insiders, fair disclosure of unpublished price sensitive information etc. Updates on relevant statutory changes encompassing important laws are regularly circulated to the Independent Directors and they have the option and freedom to interact with the Company Management periodically and are provided with the information required to perform their functions effectively.

The details of the familiarization program for the Independent Directors are available on the Company's website at <http://www.svgml.com/index.php/policies9/familiarization-programme-for-independent-directors.html>

### BOARD PROCEDURE

The Board of Directors met four times during the financial year 2018-'19 on 30.05.2018, 06.08.2018, 29.10.2018 & 06.02.2019 and the meetings were convened as per the provisions of the Act. The necessary quorum was present for all the meetings. The gap between any two Board Meetings did not exceed 120 days as mandated under Section 173 of the Companies Act, 2013 and Regulation 17 (2) of the Listing Regulations. The conduct of Board Meetings is in compliance with the applicable provisions of the Companies Act, 2013 and Secretarial Standards on Meetings of the Board of Directors issued by the Institute of the Company Secretaries of India.

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. The agenda and back ground papers containing all material information are circulated to the Directors well in advance for facilitating meaningful and focused discussions at the Meetings. Inputs and feedback of Board Members are taken and considered while preparing the agenda and back ground papers for the Board Meeting. The Board also evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of corporate governance practices. Further, the Board fulfils the key functions as prescribed under the SEBI Listing Regulations.

### POST-MEETING FOLLOW-UP SYSTEM

After the Board meeting, there is a formal system of follow up, review and reporting on actions taken by the Management on the decisions of the Board and sub-committees of the Board.

### SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During the year, all the Independent Directors of the Company without the attendance of Non-Independent Directors and members of the Management met on February 06, 2019, to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timelines of flow of information between the Management and the Board. Sri.Y. Satyajit Prasad, Chairman of the meeting presented the views of the Independent Directors relating to Board processes and other views to the full Board.

### COMMITTEES OF BOARD

The Board has constituted sub-committees to deal with specific areas and activities which concern the Company and requires a closer view. The Board Committees are formed with the approval of the Board and function under their respective Charters which defines the scope, powers and composition of the Committee. These Committees play an important role in the overall management of the day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting or approval. As at March 31, 2019, we have four sub-committees of the Board as under:

- a. Audit Committee
- b. Stakeholders Relationship Committee
- c. Nomination and Remuneration Committee
- d. Corporate Social Responsibility Committee.

### AUDIT COMMITTEE

Audit Committee of the Board of Directors ("the Audit Committee") its composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of the Listing Regulations. The primary objective of the Audit Committee is to exercise effective control and supervision over the financial reporting in order to ensure accurate, timely and proper disclosure of the financials of the company. The terms of reference of the Audit Committee are as under:

1. To monitor and provide an effective supervision of the Management's financial reporting processes to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.

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3. Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Director's Responsibility Statement forming part of the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013,
  - b. compliance with listing and other legal requirements relating to financial statements,
  - c. disclosure of related party transactions, if any
  - d. qualifications in the draft audit report,
  - e. Reviewing with the management, the unaudited / audited quarterly, half yearly and annual financial statements along with Limited Review Reports and Auditor's Report before submission to the Board for approval,
4. Review of internal audit function, adequacy of internal control systems, vigil mechanism, whistle blower mechanism and enterprise risk management.

The Audit Committee, apart from looking into matters as are specifically referred to it by the Board of Directors, also looks into the mandatory requirements of the Regulation 18 read with Part C of Schedule II of SEBI Listing requirements. The Audit Committee comprises of 4 Directors of which 3 are Independent Directors. The Chairperson of the Audit Committee is an Independent Director. All members of the Audit Committee are financially literate and one half of the members have expertise in accounting and financial management.

### COMPOSITION OF THE AUDIT COMMITTEE

| Name of the Director        | Position | Category                      |
|-----------------------------|----------|-------------------------------|
| Dr. K. SHIVARAM SELVAKKUMAR | Chairman | Independent Director          |
| Sri. E. SHANMUGAM           | Member   | Promoter – Executive Director |
| Sri. N. BALA BASKAR         | Member   | Independent Director          |
| Sri. Y. SATYAJIT PRASAD     | Member   | Independent Director          |

Sri. R. Sugumaran, Company Secretary and Compliance Officer is the Secretary of the Committee. Statutory Auditors as well as Internal Auditors are permanent invitees to the Audit Committee meetings and they have attended all the meetings held during the year. The Chief Financial Officer and other executives make periodic presentations to the Audit Committee on various issues. The quorum for the Audit Committee is the minimum of two independent directors.

During the financial year 2018-'19, the Audit Committee met four times on 30.05.2018, 06.08.2018, 29.10.2018 & 06.02.2019 with necessary quorum and the gap between any two meetings did not exceed 120 days and the attendance of each Member is furnished as below:

| Name of the Director         | Attendance at the meeting held on |            |            |            |
|------------------------------|-----------------------------------|------------|------------|------------|
|                              | 30.05.2018                        | 06.08.2018 | 29.10.2018 | 06.02.2019 |
| Sri. K. SHIVARAM SELVAKKUMAR | ✓                                 | ✓          | ✓          | x          |
| Sri. E. SHANMUGAM            | ✓                                 | ✓          | ✓          | ✓          |
| Sri. P. S. PANDYAN           | ✓                                 | ✓          | ✓          | ✓          |
| Sri. Y. SATYAJIT PRASAD      | ✓                                 | x          | ✓          | ✓          |

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The minutes of the Audit Committee meetings had been circulated periodically to the Board for its discussion and further noting thereof. The Chairman of the Audit Committee was present at the 11<sup>th</sup> Annual General Meeting held on September 20, 2018.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

#### Terms of Reference.

The Committee considers and resolves the grievances of the security holders. The Committee also reviews the manner and time lines of dealing with complaint letters received from Stock Exchanges / SEBI / Ministry of Corporate Affairs etc. and the responses thereto. The Committee also has the mandate to review and address shareholder grievances pertaining to share transfers, non-receipt of annual reports, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc.

### COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

| Name                         | Position | Category                               | No. of Meetings held / attended during the financial year 2018-'19 |          |
|------------------------------|----------|--|--|----------|
|                              |          |  | Held   | Attended |
| Sri. M. ETHIRAJ              | Chairman | Promoter –<br>Non - Executive Director | 38   | 38       |
| Sri. E. SHANMUGAM            | Member   | Promoter –<br>Executive Director       | 38   | 33       |
| Sri. K. SHIVARAM SELVAKKUMAR | Member   | Independent Director                   | 38   | 38       |

Sri. R. Sugumaran, Company Secretary is the Secretary to the Committee and the Compliance Officer of the Company. The share transfers/ transmissions approved by the Committee are placed at the Board meetings from time to time.

#### Disclosure on the delegated authority constituted for attending to share transfers and connected work;

| Description of delegated authority | Address   | Contact No                   | Email                   |
|------------------------------------|---|------------------------------|-------------------------|
| Company Secretary                  | New No 5/1 (Old No 3/1),<br>6th cross street,<br>CIT Colony, Mylapore,<br>Chennai – 600004. | (044) 24997751,<br>24997752. | secretarial@svgml.com   |
| Cameo Corporate Services Limited   | Subramanian Building,<br>No.1, Club House Road,<br>Anna Salai,<br>Chennai – 600002.         | (044)<br>28460390            | investor@cameoindia.com |

#### Complaints received and redressed during the year

During the financial year the company had not received any complaint from the investors and hence there was no complaint pending at the end of the year.

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During the year under review, the company received 2 investors' complaints through SEBI Complaint Redressal System (SCORES) and settled the same.

### NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee constituted pursuant to the provisions of Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

The terms of reference specified by the Board of Directors to the Nomination and Remuneration Committee are broadly indicated hereunder:

To formulate criteria to determine qualifications, positive attributes and independence of Directors, Key Managerial Personnel (KMP), Senior Management etc., and recommend to the Board a Policy relating to their appointment and remuneration, so as to ensure that the Company's policies in respect of the Directors, KMP are competitive to recruit and retain the best talent in the Company and to ensure appropriate disclosure of remuneration paid to the said persons.

### COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of three non-executive Directors of which two are Independent Directors as given below:

| Name of the Director        | Position /Category                          |
|-----------------------------|---|
| Dr. K. SHIVARAM SELVAKKUMAR | Chairman, Non - Executive, Independent.     |
| Sri. M. ETHIRAJ             | Member, Non - Executive, Non - Independent. |
| Sri. Y. SATYAJIT PRASAD     | Member, Non - Executive, Independent.       |

During the year, the Nomination and Remuneration Committee met one time and the attendance of each Member is furnished as below:

| Name of the Director        | Attendance at the meeting held on 04.02.2019 |
|-----------------------------|--|
| Dr. K. SHIVARAM SELVAKKUMAR | ✓  |
| Sri. M. ETHIRAJ             | ✓  |
| Sri. Y. SATYAJIT PRASAD     | ✓  |

Details of Remuneration and Sitting Fee paid to the Directors are given below:

| Name of the Director        | Remuneration during the Year 2018-'19. | Sitting fees for attending meetings of the Board and / or Committee thereof |
|-----------------------------|--|---|
| Sri. M. ETHIRAJ             | -                                      | -   |
| Sri. E. SHANMUGAM           | 5,00,000                               | -   |
| Smt. S. VALLI               | -                                      | 20,000  |
| Sri. P. S. PANDYAN          | -                                      | 20,000  |
| Dr. K. SHIVARAM SELVAKKUMAR | -                                      | 15,000  |
| Sri. Y. SATYAJIT PRASAD     | -                                      | 15,000  |
| Sri. N. BALA BASKAR         | -                                      | 5,000   |

**GENERAL BODY MEETINGS:**

Date and time of the General Meetings held during the last three years till 31st March, 2018.

| <b>Details of General Meeting</b> | <b>Date</b> | <b>Time</b> | <b>Venue</b>   |
|-----------------------------------|-------------|-------------|--|
| 9th AGM FY : 2015-'16             | 21.09.2016  | 10.30 AM    | New No 5/1 (Old No 3/1),<br>6th Cross Street, CIT Colony, Mylapore,<br>Chennai – 600004. |
| 10th AGM FY 2016-'17              | 13.12.2017  | 10.30 AM    | New No 5/1 (Old No 3/1),<br>6th Cross Street, CIT Colony, Mylapore,<br>Chennai – 600004. |
| 11th AGM FY 2017-'18              | 20.09.2018  | 10.30 AM    | New No 5/1 (Old No 3/1),<br>6th Cross Street, CIT Colony, Mylapore,<br>Chennai – 600004. |

Special Resolutions/Special Business passed at the previous General Body Meetings (for last three years) are as under:

At the Ninth Annual General Meeting held on 21.09.2016: NIL

At the Tenth Annual General Meeting held on 13.12.2017:

1. Re-appointment of Sri. E. Shanmugam as Managing Director of the company for a further period of five years with effect from April 3, 2017
2. Re-appointment of Dr. K. Shivaram Selvakumar as an Independent Director for a second term of consecutive five years with effect from September 27, 2017.

At the Eleventh Annual General Meeting held on 20.09.2018:

1. Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013.
2. Adoption of Articles of Association as per the provisions of the Companies Act, 2013.

**POSTAL BALLOT AND E-VOTING**

No resolutions were put through Postal ballot in the last year. However, in pursuance of the listing agreement, e-voting and ballot paper facilities were extended to all the shareholders of the Company to facilitate voting on the subjects/resolutions contained in the 11th AGM notice. To conduct the voting procedure in a fair and transparent manner, a Scrutinizer was appointed. Accordingly, the Scrutinizer conducted the voting process and submitted his report on the voting polled to the Chairman of the Company.

As per the said Report, the results of the voting on the subjects / resolutions, contained in the Agenda of the meeting were announced. Besides, reports were forwarded to the Stock Exchanges and uploaded along with the Scrutinizers Report, in the Company's website. Entire Resolutions contained in the said agenda were passed.



### MEANS OF COMMUNICATION

The annual report containing the financial statements are posted/e-mailed to the shareholders of the Company in compliance with the provisions of the Companies Act, 2013.

The Company's philosophy focuses on making the environment greener for the benefit of posterity. In this regard, your Company encourages its shareholders to register/ update the email-ids for communication purpose thereby contributing to the environment.

The unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations. The approved financial results are forthwith sent to the Stock Exchanges and are published in one national (English) newspaper and in one vernacular (Tamil) newspaper. The results are also displayed on the Company's Website [www.svgml.com](http://www.svgml.com). The Company hosts official news release in its website. The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange viz, BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. As required by the Listing Agreement, Company's website [www.svgml.com](http://www.svgml.com) is updated with the Quarterly information conveyed to the Stock Exchange.

The Company's website contains a separate dedicated section 'Investor' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

With a view to regulate trading in securities by the Directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

### GENERAL SHAREHOLDER INFORMATION

#### 12th Annual General Meeting.

|  |  |
|--|--|
| Day & Date   | Thursday, the 26th September ,2019   |
| Time   | 10.30 A.M  |
| Venue  | New No 5/1 (Old No 3/1), 6th Cross Street, CIT Colony, Mylapore, Chennai – 600004. |
| Financial year   | 2018-'19.  |
| Book Closure Dates   | 20.09.2019to 26.09.2019 (Both days inclusive)                                      |
| Listed on Stock Exchange                                     | BSE Limited (BSE), Scrip Code : 535621   |
| International Securities Identification Number (ISIN)        | INE159L01013   |
| Outstanding GDR/ADR /Warrants or any convertible instruments | NIL  |

### LISTING OF EQUITY SHARES

The Company's shares are listed in the Bombay Stock Exchange Listing 1,80,82,970 equity shares of Rs.5/- each and trading permission was granted effective May 28, 2013. The Company has established connectivity with both depositories, NSDL and CDSL. Annual listing fees for the financial year 2018-'19 has been paid by the Company to BSE Ltd within the stipulated time. The Company has also paid the custodian fees for the financial year 2019-'20 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

**DEMATRERIALIZATION OF SHARES AND LIQUIDITY**

Trading in company's shares is permitted only in dematerialized form. The Company has established connectivity with both the depositories viz. NSDL and CDSL through its RTA, whereby the investors have the option to dematerialize their shares with either of the depositories.

**DETAILS OF SHARES IN DEMAT AND PHYSICAL FORM AS AT MARCH 31,2019**

| Particulars | No.of Shareholders | No. of Shares | Percentage |
|-------------|--------------------|---------------|------------|
| NSDL        | 1266               | 16032499      | 88.66      |
| CDSL        | 592                | 449815        | 2.49       |
| Physical    | 6889               | 1600656       | 8.85       |
| Total       | *8747              | 18082970      | 100        |

\* After classification of Shareholders as per PAN, the total number is arrived at 8570

**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019:**

| Category (Amount) | No. of Cases | % of Cases | Total Shares    | Amount          | % of Amount |
|-------------------|--------------|------------|-----------------|-----------------|-------------|
| 1 - 5000          | 8255         | 96.33      | 1131375         | 5656875         | 5.07        |
| 5001 - 10000      | 178          | 2.03       | 262715          | 1313575         | 1.18        |
| 10001 - 20000     | 70           | 0.80       | 196761          | 983805          | 0.88        |
| 20001 - 30000     | 25           | 0.29       | 123958          | 619790          | 0.56        |
| 30001 - 40000     | 6            | 0.07       | 44856           | 224280          | 0.20        |
| 40001 - 50000     | 7            | 0.08       | 66519           | 332595          | 0.30        |
| 50001 - 100000    | 12           | 0.14       | 161032          | 805160          | 0.72        |
| 100001 and above  | 17           | 0.26       | 16095754        | 80478770        | 91.09       |
| <b>TOTAL</b>      | <b>8570</b>  | <b>100</b> | <b>18082970</b> | <b>90414850</b> | <b>100</b>  |

\*4236440 Equity Shares which were extinguished based on the order of Hon'ble Supreme Court are not shown in the above table.

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### SHAREHOLDING PATTERN AS ON MARCH 31, 2019

| CATEGORY                                     | NO.OF HOLDERS | TOTAL SHARES    | % TO EQUITY |
|--|---------------|-----------------|-------------|
| Promoters                                    | 6             | 12457356        | 68.89       |
| Financial Institutions/Banks                 | 18            | 1506093         | 8.33        |
| Non-Resident Indians                         | 54            | 20090           | 0.11        |
| Bodies Corporate (Domestic)                  | 94            | 212136          | 1.17        |
| Resident Individuals                         | 8340          | 3494668         | 19.32       |
| Clearing Member                              | 2             | 250             | 0.00        |
| Corporate Body – Central/State Government(s) | 5             | 368990          | 2.04        |
| HUF  | 49            | 23047           | 0.13        |
| TRUST  | 2             | 340             | 0.00        |
| <b>TOTAL</b>                                 | <b>8570</b>   | <b>18082970</b> | <b>100</b>  |

\*4236440 Equity Shares which were extinguished based on the order of Hon'ble Supreme Court are not shown in the above table.

### TOP 10 SHAREHOLDERS OTHER THAN PROMOTERS AS ON MARCH 31, 2019

| Sl. No. | Name of the Shareholder   | No of shares | % of total shares of the company |
|---------|---|--------------|----------------------------------|
| 1       | STATE BANK OF INDIA   | 862566       | 4.77                             |
| 2       | LIFE INSURANCE CORPORATION OF INDIA                             | 609164       | 3.37                             |
| 3       | MUTHUKUMARAN R  | 872000       | 4.82                             |
| 4       | GOVERNOR OF TAMIL NADU<br>JT1 : REPRESENTING GOVT OF TAMIL NADU | 340940       | 1.89                             |
| 5       | SAKTHIVEL J   | 286000       | 1.58                             |
| 6       | R APPAJI  | 100000       | 0.55                             |
| 7       | V N MUNISAMY  | 100000       | 0.55                             |
| 8       | ASISH JAIN  | 73667        | 0.41                             |
| 9       | KETAN J KARANI<br>JT1 : TRUPTI K KARANI                         | 69901        | 0.39                             |
| 10      | DILNAVAZ S VARIAVA  | 60522        | 0.27                             |

\*4236440 Equity Shares which were extinguished based on the order of Hon'ble Supreme Court are not shown in the above table.

### RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the number of shares in dematerialized form held with NSDL and CDSL and the number of shares in physical form.

### REGISTRAR AND TRANSFER AGENT

M/s. Cameo Corporate Services Limited is the Registrar and Share Transfer Agent (RTA) of the Company. Members are requested to send all their communications and documents pertaining to both shares in physical form and dematerialized form to the RTA at the following address:

**Cameo Corporate Services Limited,**

Subramanian Building,

No.1, Club House Road, Anna Salai,

Chennai – 600002.

Phone: (044) 2846 0390.

Email-id: [Investor@cameoindia.com](mailto:Investor@cameoindia.com)

### SHARE TRANSFER SYSTEM

The Company's shares are traded in the Stock Exchange compulsorily in dematerialized mode. Physical shares which are lodged with the Registrar and Share Transfer Agent (RTA) and/ or the Company for transfer are processed and returned to the Members duly transferred within the time stipulated under the Listing Regulations subject to the documents being found valid and complete in all respects. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective depository participants and are transferred directly to the beneficiaries by the depositories. The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice as required under Regulation 40(9) of the Listing Regulations and files a copy of the certificate simultaneously with the Stock Exchange under Regulation 40(10) of the Listing Regulations.

### NOMINATION

Nomination facility in respect of shares held in electronic form is available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination form can be obtained from the Company's Registrar and Share Transfer Agent.

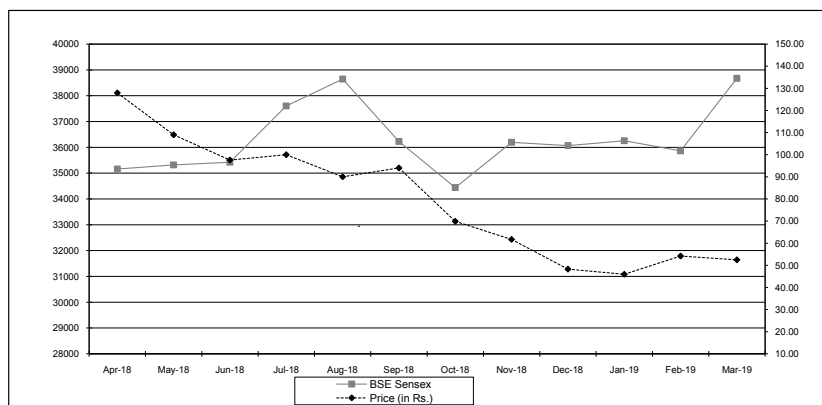
### MARKET PRICE DATA

The details of the monthly highest, lowest and closing quotations of the Equity Shares of the Company at the Bombay Stock Exchange Ltd during the financial year 2018-'19 are given below:

## S V GLOBAL MILL LIMITED - CHENNAI

| Month  | High Price | Low Price | Close Price |
|--------|------------|-----------|-------------|
| Apr-18 | 138.65     | 102.40    | 127.90      |
| May-18 | 139.75     | 102.20    | 109.00      |
| Jun-18 | 121.20     | 93.15     | 97.60       |
| Jul-18 | 118.00     | 93.20     | 100.00      |
| Aug-18 | 103.00     | 86.20     | 90.05       |
| Sep-18 | 97.40      | 84.55     | 94.05       |
| Oct-18 | 90.00      | 69.00     | 69.90       |
| Nov-18 | 77.00      | 61.70     | 61.75       |
| Dec-18 | 62.35      | 47.55     | 48.30       |
| Jan-19 | 49.00      | 36.50     | 46.00       |
| Feb-19 | 62.95      | 45.00     | 54.20       |
| Mar-19 | 66.15      | 48.00     | 52.50       |

### S V Global Stock Performance vs. BSE SENSEX (Closing price)



## Disclosures

### COMPLIANCE WITH THE ACCOUNTING STANDARDS

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

### COMPLIANCE WITH LISTING REGULATIONS

The Company has complied with all applicable listing requirements of Chapter IV of the Listing regulations relating to obligations of the listed entity which has listed its specified securities.

### CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with all the mandatory corporate governance requirements specified in Regulations 17 to 27 of the Listing Regulations and has also adopted the non-mandatory requirements as prescribed in Part E of Schedule II of regulation 27 of the Listing Regulations.

### **MD AND CFO CERTIFICATION**

A Certificate of the MD and CFO of the Company inter alia, confirming the correctness of the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee is also annexed.

### **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Auditors' Certificate on Corporate Governance as certified by a Practicing Company Secretary is annexed to the Board's report. In addition to the aforesaid certificate, the Practicing Company Secretary has also issued a Secretarial Audit Report pursuant to Section 204(1) of the Companies Act, 2013.

### **CODE OF CONDUCT**

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to the members of the Board, the executive officers and all employees of the Company. The Code is available on our website, [www.svgml.com](http://www.svgml.com). All members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on March 31, 2019. A declaration to this effect, signed by the MD, forms part of the Report.

### **PREVENTION OF INSIDER TRADING**

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The Company has automated the declarations and disclosures to identified designated employees, and the Board reviews the policy on a need basis. The policy is available on our website [www.svgml.com](http://www.svgml.com)

### **DISCLOSURE OF MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS**

All transactions entered into with the related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations were in the course of business and at an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

As required under Regulation 23(1) of Listing Regulations, the Company has adopted a policy on Related Party Transactions. The abridged policy on Related Party Transactions is available on the Company's website at <http://www.svgml.com/index.php/policies9/related-party-transaction-policy.html>.

### **DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES, AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR SEBI OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS.**

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed either by SEBI or Stock Exchange or any Statutory Authority for non-compliance of any matter related to the capital markets during the last three years in terms of Schedule V to the Listing Regulations.

**WHISTLE BLOWER POLICY AND AFFIRMATION THAT NO PERSONNEL HAVE BEEN DENIED ACCESS TO THE MANAGEMENT / AUDIT COMMITTEE**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated whistle blower policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of the company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Management / Audit Committee. The whistle blower policy is displayed on the Company's website [www.svgml.com](http://www.svgml.com)

**By Order of the Board**

Place: Chennai  
Date: 29.07.2019

**M. ETHIRAJ**  
Chairman  
DIN: 00041996

**E. SHANMUGAM**  
Managing Director  
DIN: 00041968

## MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

To,  
The Shareholders of **S V GLOBAL MILL LIMITED**,  
Chennai.

On the basis of the written declarations received from the Members of the Board, Officers, Designated Persons and immediate relatives of Designated Persons, of the Company in terms of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, it is hereby certified that both the Members of the Board, Officers, Designated Persons and immediate relatives of Designated Persons, of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the Board for the year ended 31st March 2019.

Place: Chennai  
Date: 29.07.2019

**E. SHANMUGAM**  
Managing Director  
DIN: 00041968

## MD AND CFO CERTIFICATION

To,  
The Board of Directors  
**S V GLOBAL MILL LIMITED**  
Chennai.

Dear Members of the Board,

We, **E. Shanmugam**, Managing Director and **R. Sugumaran**, Chief Financial Officer of **S V GLOBAL MILL LIMITED**, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's Report.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's Auditors and the Company's Audit Committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :



- a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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 (GAAP) in India.
  - c) Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d) Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Audit Committee of the Company's Board (and persons performing the equivalent functions).
- a) Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b) Any significant changes in internal controls during the year covered by this report.
  - c) All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements.
  - d) Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
8. We further declare that all Board Members, Officers, Designated Persons and immediate relatives of Designated Persons have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Place: Chennai  
Date: 29.07.2019

**E. SHANMUGAM**  
Managing Director

**R. SUGUMARAN**  
Chief Financial Officer

## AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

### To the Members of S V Global Mill Limited

I have examined the compliance of conditions of Corporate Governance by **S V Global Mill Limited** for the year ended 31st March 2019 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 by ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said 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 us, 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I also state that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Companies by the Board / Ministry of Corporate Affairs or such statutory authority.

I 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.

**R. Kannan**  
Practicing Company Secretary  
FCS No. 6718  
CP No.3363

Place: Chennai

Date: 01.06.2019

**ANNEXURE - E**

**Form No.MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 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,  
**S V Global Mill Limited**  
New No: 5/1; Old No: 3/1  
6th Cross Street,  
CIT Colony, Mylapore,  
Chennai - 600 004.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. S V Global Mill Limited** (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expresses my opinion thereon.

Based on my verification of the company's 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 March 31, 2019 ("Audit Period") 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 report that Registrar of Companies has called for explanations in respect of the corporate governance issues relating to the financial years 2012-15. The company has suitably replied and further action from the ROC/RD, Ministry of Corporate Affairs is awaited as on 31st March, 2019.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

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

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **(Not applicable during the Audit Period)**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. During the period the company has bought back the shares of Mr. S. Natarajan as per the Supreme Court Order. In my opinion the Buy back procedure was not followed in view of Supreme Court Order.
- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### DETAILS & VIOLATIONS:

SEBI has initiated Adjudication Process based on the complaints received from Sri. Natarajan and Sri. Parth Khokhani shareholders on the basis of the order of Hon'ble High Court dated 04.07.2017. In this regard, SEBI was not updated by the said shareholders on the settlement of all the issues by the Hon'ble Supreme Court vide its Order dated 17.05.2018. The Company has submitted written submissions to the Adjudication Officer explaining the settlement of all the points raised and its representatives and counsels appeared before the Adjudication Officer, SEBI, subsequently. The order of the Adjudication Officer is awaited.

And other applicable laws like:

- j. Housing Board Act, 1965
- k. Transfer of Property Act, 1882
- l. Building and other Construction Worker's (Regulation of Employment and Conditions of Services) Act, 1996.

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

- I. Secretarial standards on the meetings of the board of directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI).
- II. The Listing Agreement entered into by the company with the Stock Exchange namely BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

- No specific violations in respect of Tax laws came to the notice of the undersigned from the review of the said check list. However, I report that I have not carried out the audit with reference to the applicable financial laws, such as the Direct and Indirect Tax Laws, as same falls under the review of statutory audit and other designed professionals.
- Based on the information provided by the Company, its officers and authorised representatives during the conduct of audit, and also on review of quarterly compliance reports by respective department heads / company secretary.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that during the audit period 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, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the company's affairs.

Based on the investor compliance, Registrar of Companies called for the information and explanation and the company has initiated necessary action to comply the Companies Act, 2013.

This Report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.

Place: Chennai

Date: 1st June, 2019

Signature:

**R. Kannan**  
**Practicing Company Secretary**  
FCS No: 6718  
C P No: 3363

## Annexure - A to Secretarial Audit Report

To,  
The Members,  
**S V Global Mill Limited**  
New No: 5/1; Old No: 3/1  
6th Cross Street,  
CIT Colony, Mylapore,  
Chennai - 600 004.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the company.
4. Wherever required, we have obtained the Management representation about compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of the corporate laws and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai

Date: 1st June, 2019

Signature:

**R. Kannan**  
**Practicing Company Secretary**  
FCS No: 6718  
C P No: 3363

**Annexure- F**

**FormNo.MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019**

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

**I. REGISTRATION AND OTHER DETAILS:**

|      |   |   |
|------|---|---|
| i.   | CIN   | <b>L17100TN2007PLC065226</b>  |
| ii.  | Registration Date   | 13th October, 2010.   |
| iii. | Name of the Company   | <b>S V GLOBAL MILL LIMITED</b>  |
| iv.  | Category/Sub-Category of the Company  | Public Company, Limited by Shares   |
| v.   | Address of the Registered office and contact details                            | New No.5/1 (Old No.3/1),<br>6th Cross Street, CIT Colony,<br>Mylapore, Chennai - 600004.<br>Ph: 044-24997751/2<br>E-mail id:corporate@svgml.com |
| vi.  | Whether listed company  | Yes   |
| vii. | Name, Address and Contact details of Registrar and Share Transfer Agent, if any | <b>Cameo Corporate Services Limited,</b><br>"Subramanian Building"<br>No.1 Club House Road, Chennai - 600002.                                   |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1       | Real Estate                                     | 8201                             | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| Sr. No. | Name and Address of the Company  | CIN/GLN               | Holding/ Subsidiary /Associate | %of shares held | Applicable Section |
|---------|--|-----------------------|--------------------------------|-----------------|--------------------|
| 1.      | S V GLOBAL FINANCE PRIVATE LIMITED<br>New No.5/1 (Old No.3/1),<br>6th Cross Street,<br>CIT Colony,<br>Mylapore,<br>Chennai - 600004. | U65999TN2012PTC088442 | Subsidiary                     | 100%            | 2 (87)             |

IV. SHAREHOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding

| Category of Shareholders   | No. of Shares held at the beginning of the year |               |                 |                   | No. of Shares held at the end of the year |               |                 |                   | % Change during the year |
|--|---|---------------|-----------------|-------------------|---|---------------|-----------------|-------------------|--------------------------|
|  | Demat   | Physical      | Total           | % of Total Shares | Demat                                     | Physical      | Total           | % of Total Shares |                          |
| <b>A. Promoter</b>   |   |               |                 |                   |   |               |                 |                   |                          |
| <b>1) Indian</b>   |   |               |                 |                   |   |               |                 |                   |                          |
| a) Individual/ HUF   | 12775476  | 0             | 12775476        | 57.23             | 12199356                                  | 0             | 12199356        | 67.46             | 0                        |
| b) CentralGovt   | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| c) State Govt(s)   | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| d) Bodies Corp   | 3916440   | 0             | 3916440         | 17.54             | 258000                                    | 0             | 258000          | 1.43              | 0                        |
| e) Banks / FI  | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| f) Any Other   | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| <b>Sub-total(A)(1):-</b>   | <b>16691916</b>                                 | <b>0</b>      | <b>16691916</b> | <b>74.78</b>      | <b>12457356</b>                           | <b>0</b>      | <b>12457356</b> | <b>68.89</b>      | <b>-5.89</b>             |
| <b>2) Foreign</b>  |   |               |                 |                   |   |               |                 |                   |                          |
| g) NRIs-Individuals  | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| h) Other-Individuals   | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| i) Bodies Corp.  | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| j) Banks / FI  | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| k) Any Other   | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| <b>Sub-total(A)(2):-</b>   | <b>0</b>  | <b>0</b>      | <b>0</b>        | <b>0</b>          | <b>0</b>                                  | <b>0</b>      | <b>0</b>        | <b>0</b>          | <b>0</b>                 |
| <b>Total Shareholding of promoter and promoter group (A) = (A)(1)+(A)(2)</b> | <b>16691916</b>                                 | <b>0</b>      | <b>16691916</b> | <b>74.78</b>      | <b>12457356</b>                           | <b>0</b>      | <b>12457356</b> | <b>68.89</b>      | <b>-5.89</b>             |
| <b>B. Public Shareholding</b>  |   |               |                 |                   |   |               |                 |                   |                          |
| <b>1. Institutions</b>   |   |               |                 |                   |   |               |                 |                   |                          |
| a) Mutual Funds  | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| b) Banks / FI  | 1588190   | 11260         | 1599450         | 7.17              | 1471713                                   | 11260         | 1482973         | 8.20              | 1.03                     |
| c) Central Govt  | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| d) State Govt(s)   | 0   | 368590        | 368590          | 1.65              | 17650                                     | 351340        | 368990          | 2.04              | 0.39                     |
| e) Venture Capital Funds   | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| f) Insurance Companies   | 23120   | 0             | 23120           | 0.10              | 23120                                     | 0             | 23120           | 0.13              | 0.03                     |
| g) FIIs  | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| h) Foreign Venture Capital Funds   | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| i) Others (specify)  | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0                        |
| <b>Sub-total (B)(1)</b>  | <b>1611310</b>                                  | <b>379850</b> | <b>1991160</b>  | <b>8.92</b>       | <b>1512483</b>                            | <b>362600</b> | <b>1875083</b>  | <b>10.37</b>      | <b>1.45</b>              |



## S V GLOBAL MILL LIMITED - CHENNAI

| <b>2. Non Institutions</b>   |                 |                |                 |              |                 |                |                 |              |             |
|--|-----------------|----------------|-----------------|--------------|-----------------|----------------|-----------------|--------------|-------------|
| a) Bodies Corp.<br>(i) Indian<br>(ii) Overseas   | 52563           | 163510         | 216073          | 0.97         | 68186           | 143950         | 212136          | 1.17         | 0.20        |
| <b>(b) Individuals</b><br>(i) Individual shareholders holding nominal share capital upto Rs. 2 Lakhs | 519876          | 1160933        | 1680809         | 7.53         | 795556          | 1080316        | 1875872         | 10.37        | 2.84        |
| (ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs                  | 1265882         | 436000         | 1701882         | 7.62         | 1618796         | 0              | 1618796         | 8.95         | 1.33        |
| c) Qualified Foreign Investor  | 0               | 0              | 0               | 0.00         | 0               | 0              | 0               | 0.00         | 0.00        |
| d) any other Clearing Members  | 928             | 0              | 928             | 0.01         | 250             | 0              | 250             | 0.00         | -0.01       |
| Foreign Nationals  | 400             | 0              | 400             | 0.00         | 0               | 0              | 0               | 0.00         | 0.00        |
| Hindu Undivided Families   | 18343           | 0              | 18343           | 0.08         | 22947           | 100            | 23047           | 0.13         | 0.05        |
| Non Resident Indians   | 3769            | 14090          | 17859           | 0.08         | 6400            | 13690          | 20090           | 0.11         | 0.03        |
| Trusts   | 40              | 0              | 40              | 0.00         | 340             | 0              | 340             | 0.00         | 0.00        |
| <b>Sub total of D</b>  | <b>21432</b>    | <b>14090</b>   | <b>35522</b>    | <b>0.17</b>  | <b>29937</b>    | <b>13790</b>   | <b>43727</b>    | <b>0.24</b>  | <b>0.07</b> |
| <b>Sub-total(B)(2)</b>   | <b>1861801</b>  | <b>1774533</b> | <b>3636334</b>  | <b>16.30</b> | <b>2512475</b>  | <b>1238056</b> | <b>3750531</b>  | <b>20.73</b> | <b>4.43</b> |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>  | <b>3438759</b>  | <b>2188735</b> | <b>5627494</b>  | <b>25.22</b> | <b>4024958</b>  | <b>1600656</b> | <b>5625614</b>  | <b>31.11</b> | <b>5.89</b> |
| <b>TOTAL (A) + (B)</b>   | <b>20130675</b> | <b>2188735</b> | <b>22319410</b> | <b>100</b>   | <b>16482314</b> | <b>1600656</b> | <b>18082970</b> | <b>100</b>   | <b>0.00</b> |
| C.Shares held by Custodian for GDRs & ADRs   | 0               | 0              | 0               | 0            | 0               | 0              | 0               | 0            | 0           |
| <b>Grand Total (A+B+C)</b>   | <b>20130675</b> | <b>2188735</b> | <b>22319410</b> | <b>100</b>   | <b>16482314</b> | <b>1600656</b> | <b>18082970</b> | <b>100</b>   | <b>0.00</b> |

### ii. Shareholding of Promoters

| Sr. No. | Shareholder's Name           | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|---------|------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|         |                              | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
| 1.      | M. Ethiraj                   | 2014920                                   | 9.03                             | 0  | 2014920                             | 11.14                            | 0  | 2.11                                      |
| 2.      | E. Shanmugam                 | 10155606                                  | 45.50                            | 0  | 10157486                            | 56.17                            | 0  | 10.67                                     |
| 3       | S. Valli                     | 18800                                     | 0.08                             | 0  | 18800                               | 0.11                             | 0  | 0.03                                      |
| 4       | Rajagopal Rajeswari          | 8000                                      | 0.03                             | 0  | 8000                                | 0.04                             | 0  | 0.01                                      |
| 5       | Namitha Shanmugam            | 150                                       | 0.00                             | 0  | 150                                 | 0.00                             | 0  | 0   |
| 6       | The Thirumagal Mills Limited | 258000                                    | 1.15                             | 0  | 258000                              | 1.43                             | 0  | 0.28                                      |
|         | <b>Total</b>                 | <b>12455476</b>                           | <b>55.79</b>                     | <b>0</b>   | <b>12457356</b>                     | <b>68.89</b>                     | <b>0</b>   | <b>13.10</b>                              |

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

| Sr. No. | Name of the Shareholder             | Shareholding at the beginning of the year              |                                  | Cumulative Shareholding during the year |                                  |
|---------|-------------------------------------|--|----------------------------------|---|----------------------------------|
|         |                                     | No. of shares  | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | <b>M. Ethiraj</b>                   |  |                                  |   |                                  |
|         | At the beginning of the year        | 2014920  | 9.03                             | 2014920                                 | 9.03                             |
|         | At the end of the year              | 2014920  | 11.14                            | 2014920                                 | 11.14                            |
|         | Change                              | NIL (Change of % 2.11)                                 |                                  |   |                                  |
| 2       | <b>E. Shanmugam</b>                 |  |                                  |   |                                  |
|         | At the beginning of the year        | 10155606   | 45.50                            | 10155606                                | 45.50                            |
|         | At the end of the year              | 10157486   | 56.17                            | 10157486                                | 56.17                            |
|         | Change                              | 1,880 shares Demeted on 22.03.2019 (Change of % 10.67) |                                  |   |                                  |
| 3       | <b>S. Valli</b>                     |  |                                  |   |                                  |
|         | At the beginning of the year        | 18800  | 0.08                             | 18800                                   | 0.08                             |
|         | At the end of the year              | 18800  | 0.11                             | 18800                                   | 0.11                             |
|         | Change                              | NIL (Change of % 0.03)                                 |                                  |   |                                  |
| 4       | <b>Rajagopal Rajeswari</b>          |  |                                  |   |                                  |
|         | At the beginning of the year        | 8000   | 0.03                             | 8000                                    | 0.03                             |
|         | At the end of the year              | 8000   | 0.04                             | 8000                                    | 0.04                             |
|         | Change                              | NIL (Change of % 0.01)                                 |                                  |   |                                  |
| 5       | <b>Namitha Shanmugam</b>            |  |                                  |   |                                  |
|         | At the beginning of the year        | 150  | 0.00                             | 150                                     | 0.00                             |
|         | At the end of the year              | 150  | 0.00                             | 150                                     | 0.00                             |
|         | Change                              | NIL  |                                  |   |                                  |
| 6       | <b>The Thirumagal Mills Limited</b> |  |                                  |   |                                  |
|         | At the beginning of the year        | 258000   | 1.15                             | 258000                                  | 1.15                             |
|         | At the end of the year              | 258000   | 1.43                             | 258000                                  | 1.43                             |
|         | Change                              | NIL (Change of % 0.28)                                 |                                  |   |                                  |

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

| Sl.No. | Name of the Shareholder                    | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|---|----------------------------------|---|----------------------------------|
|        |  | No of shares                              | % of total shares of the company | No of shares                            | % of total shares of the company |
| 1      | <b>STATE BANK OF INDIA</b>                 |   |                                  |   |                                  |
|        | At the beginning of the year               | 971000                                    | 4.35                             | 971000                                  | 4.35                             |
|        | At the end of the Year                     | 862566                                    | 4.77                             | 862566                                  | 4.77                             |
| 2      | <b>LIFE INSURANCE CORPORATION OF INDIA</b> |   |                                  |   |                                  |
|        | At the beginning of the year               | 617190                                    | 2.76                             | 617190                                  | 2.76                             |
|        | At the end of the Year                     | 609147                                    | 3.37                             | 609164                                  | 3.37                             |
| 3      | <b>MUTHUKUMARAN R</b>                      |   |                                  |   |                                  |
|        | At the beginning of the year               | 872563                                    | 3.90                             | 872563                                  | 3.90                             |
|        | At the end of the Year                     | 872563                                    | 4.83                             | 872563                                  | 4.83                             |

## S V GLOBAL MILL LIMITED - CHENNAI

|    |  |        |      |        |      |
|----|--|--------|------|--------|------|
| 4  | GOVERNOR OF TAMIL NADU<br>JT1 : REPRESENTING GOVT OF<br>TAMIL NADU |        |      |        |      |
|    | At the beginning of the year                                       | 340940 | 1.52 | 340940 | 1.52 |
|    | At the end of the Year   | 340940 | 1.89 | 340940 | 1.89 |
| 5  | SAKTHIVEL J  |        |      |        |      |
|    | At the beginning of the year                                       | 286000 | 1.28 | 286000 | 1.28 |
|    | At the end of the Year   | 286000 | 1.58 | 286000 | 1.58 |
| 6  | R APPAJI   |        |      |        |      |
|    | At the beginning of the year                                       | 100000 | 0.44 | 100000 | 0.44 |
|    | At the end of the Year   | 100000 | 0.55 | 100000 | 0.55 |
| 7  | V N MUNISAMY   |        |      |        |      |
|    | At the beginning of the year                                       | 100000 | 0.44 | 100000 | 0.44 |
|    | At the end o the Year  | 100000 | 0.55 | 100000 | 0.55 |
| 8  | ASISH JAIN   |        |      |        |      |
|    | At the beginning of the year                                       | 55774  | 0.25 | 55774  | 0.25 |
|    | At the end of the Year   | 73667  | 0.41 | 73667  | 0.41 |
| 9  | KETAN J KARANI<br>JT 1: TRUPTI K KARANI                            |        |      |        |      |
|    | At the beginning of the year                                       | 71772  | 0.32 | 71772  | 0.32 |
|    | At the end of the Year   | 69901  | 0.39 | 69901  | 0.39 |
| 10 | DILNAVAZ S VARIAVA   |        |      |        |      |
|    | At the beginning of the year                                       | 60522  | 0.27 | 60522  | 0.27 |
|    | At the end of the Year   | 60522  | 0.27 | 60522  | 0.27 |

### V. INDEBTEDNESS

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

|     | Secured Loans<br>excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|-----|-------------------------------------|-----------------|----------|--------------------|
| NIL |                                     |                 |          |                    |

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

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

| Sl. No. | Particulars of Remuneration   | Name of MD/WTD/ Manager  | Total Amount (in Rs.)  |
|---------|---|--|--|
| 1       | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961<br><br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | E. Shanmugam – MD<br><br>-<br><br>-  | 5,00,000/- p.a<br><br>The Perquisites includes the value of residential accommodation computed @ 15% of salary and increased by 10% p.a. of the cost of furniture as per Income Tax Act. The other amenities were calculated at cost.<br><br>The value of Perquisites were within the limits specified U/s 197, 198 of Companies Act, 2013 read with Schedule V and the corresponding Income Tax Act and Rules thereon.<br><br>- |
| 2       | Stock Option  | -  | -  |
| 3       | Sweat Equity  | -  | -  |
| 4       | Commission<br>- as % of profit<br>- others, specify   | -  | -  |
| 5       | Others, please specify  | -  | -  |
|         | Ceiling as per the Act  | 5 % of Net Profits of the Company calculated as under Section 198 of the Companies Act, 2013 |  |

B. Remuneration to other Directors:

| Sl. No. | Particulars of Remuneration                   | Name of Director   |                         |                |                   | Total Amount (in Rs.) |
|---------|---|--|-------------------------|----------------|-------------------|-----------------------|
|         |   | P. S. Pandyan  | K. Shivaram Selvakkumar | N. Bala Baskar | Y. Satajit Prasad |                       |
|         | <b>Independent Directors</b>                  |  |                         |                |                   |                       |
|         | • Fee for attending Board, Committee Meetings | 20,000   | 15,000                  | 5,000          | 15,000            |                       |
|         | • Commission                                  | -  | -                       | -              | -                 |                       |
|         | • Others, please specify                      | -  | -                       | -              | -                 |                       |
|         | <b>Total (1)</b>                              |  |                         |                |                   | <b>55,000</b>         |
|         | <b>Other Non-Executive Directors</b>          | <b>M. Ethiraj</b>  | <b>S. Valli</b>         |                |                   |                       |
|         | • Fee fo rattending Board, Committe Meetings  | -  | 20,000                  |                |                   |                       |
|         | • Commission                                  | -  | -                       |                |                   |                       |
|         | • Others, please specify                      | -  | -                       |                |                   |                       |
|         | <b>Total (2)</b>                              |  |                         |                |                   | <b>20,000</b>         |
|         | <b>Total (B) = (1+2)</b>                      |  |                         |                |                   | <b>75,000</b>         |
|         | Total Managerial Remuneration                 |  |                         |                |                   | <b>75,000</b>         |
|         | Overall Ceiling as per the Act                | 11% of Net Profits of the Company as calculated as under Section 198 of the Companies Act, 2013. |                         |                |                   |                       |

**C. Remuneration to Key Managerial Personnel Other Than MD/WTD/ Manager**

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel   |  | (Rs. In Lakhs) |
|---------|---|--|--|----------------|
|         |   | Company Secretary  | CFO  | Total          |
| 1       | <b>Gross salary</b><br><br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br><br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br><br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 1.00 p.m.<br><br>Bonus+<br>Reimbursement<br>of conveyance as per<br>Company policy &<br>rules<br><br>- | 1.50 p.m.<br><br>Bonus+<br>Reimbursement<br>of conveyance as per<br>Company policy &<br>rules<br><br>- | 2.50 p.m.      |
| 2       | Stock Option  | -  | -  | -              |
| 3       | Sweat Equity  | -  | -  | -              |
| 4       | Commission<br>- as % of profit<br>- others, specify   | -  | -  | -              |
| 5       | Others, please specify  | -  | -  | -              |

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There are no penalties/ punishment/ compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or any other Officers in default, if any, during the year

## Independent Auditor's Report

To the members of S V Global Mill Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of M/s S V Global Mill Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following have been considered as Key Audit Matters:

| Sl. No | Key Audit Matters  | Auditor's Response   |
|--------|--|--|
| 1      | <p>Reduction of Share Capital</p> <p>The Hon'ble Supreme Court of India vide its order dated 17.05.2018 directed the company to buy the shares of certain shareholders within a period of 9 months from the date of the order at a price of Rs. 100 crore. As a result, the share capital has been reduced to the extent of the face value of the shares and the balance has been adjusted against the free reserves of the company.</p> <p>Refer Note no. 27 to the financial statement</p> | <p>The orders of the Hon'ble Supreme Court of India in the matter of the buyback arrangement were studied and the effects of the same in accounting of the event in the books were analysed. We took consideration of the matters stated therein including the carve-outs created by the orders of the Hon'ble Supreme Court that</p> <ul style="list-style-type: none"> <li>• the buyback will not trigger SEBI Takeover Regulations.</li> <li>• the buyback does not amount to shares being transferred inter vivos</li> <li>• the payment for the shares shall not be treated as deemed dividend</li> <li>• the buyback will not be subject to any liability under the Income Tax Act, 1961; and</li> <li>• on payment of the sums the, share capital of the company shall stand reduced by the virtue of the order.</li> </ul> <p>We sought explanations from the Management on implications of the order of the Hon'ble Supreme Court of the issues that would involve appropriate adjustments and disclosures in financial statements of the company.</p> <p>We examined the accounting for reduction of share capital vis-a-vis the reduction from the Free Reserves (being the balance of Rs. 100 crore and the face value of the shares brought back) to analyse the appropriateness of the accounting treatment of transactions in the books of account, its presentation and disclosure in the financial statements and the compliance with the relevant provisions of the Companies Act, 2013.</p> |
| 2      | <p>Provision against Capital Advance</p> <p>The company created provision on the entire outstanding balance of Capital Advances of Rs. 21.34 crore</p> <p>Refer Note no. 28 to the financial statement</p>   | <p>We were informed that a capital advance was given by the erstwhile Binny Limited and taken over by the company during the course of demerger as ordered by the Hon'ble High of Madras. A petition has been filed by the secured creditors before the NCLT against the entity to whom the capital advance given by the erstwhile Binny Limited.</p> <p>We sought explanations from the Management on the implications of the petition before NCLT and recoverability of the amounts advanced.</p> <p>As the management was of the view that the chances of recovery of advances were remote and accordingly provided for the same.</p> <p>We reviewed status of the matters and the adequacy of the provision against the receivable. We examined the appropriateness of the accounting treatment of transactions in the books of account, its presentation and disclosure in the financial statements and the compliance with the applicable GAAP.</p>  |

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

The Company's Board of Directors is responsible for the other information. The other information comprises the matters included in 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 standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and in case the material misstatement remains uncorrected suitable action would be resorted to including bring to the attention of the users the matters of such material misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors 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.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 auditor's report to the related disclosures in the standalone 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 auditor's 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 standalone 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 the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in Annexure - I a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of internal financial control systems and the operating effectiveness of such controls, we give our Report in Annexure – II
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 & 32 to the 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 were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Chennai

Date: May 24, 2019

**P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**P. B. Srinivasan**  
Partner  
M. No. 203774

## Annexure - I to Independent Auditor's Report

### Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (11) of section 143

#### 1) Fixed Assets

- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) As per the information and explanation given to us, all the fixed assets have been physically verified by the management at regular intervals, which in our opinion, is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification
- c) The company have title deeds of immovable properties and the same are held in the name of the company.

#### 2) Inventory

According to the information and explanations given to us, inventory has been physically verified during the year by the management, which in our opinion is reasonable and no material discrepancies were noticed.

#### 3) Transactions with parties covered by register referred to in section 189

The Company has granted unsecured loan to a subsidiary company covered by the register maintained under section 189 of the Companies Act, 2013.

- a) In our opinion, the terms and conditions of grant of the loans are not prejudicial to the interest of the company.
- b) According to the information and explanations given to us, the schedule of repayment of principal and payment of interest has been stipulated while granting such loans and the repayment/receipts are regular.
- c) No amounts are overdue for more than 90 days.

#### 4) Compliance with section 185 & 186 in respect of Loans and Investments

The company has not advanced loans, given guarantees or security or made any investment in contravention of section 185 and/or section 186 of the Companies Act, 2013

#### 5) Public Deposits

In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public and hence the provisions of sections 73 to 76 or any other provisions of the Companies Act and the rules made there under are not applicable to the company.

#### 6) Maintenance of Cost Records

Maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company

#### 7) Statutory dues

- a) The company has generally been regular in depositing Income-tax, Goods & Service Tax, duty of customs, cess and any other statutory dues to the appropriate authorities. Based on information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sales-tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues were outstanding as at 31st March 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of Income Tax, Goods & Service Tax, Customs Duty and Cess which have not been deposited by the Company.

**8) Repayment of Loans**

The company has not taken loans from any from financial institution, bank or Government, and has not issued debentures and therefore the question of default does not arise.

**9) Raising of monies through Public Offer and/or Term Loans**

The company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the relevant financial year. Also the company has not taken any term loans during the relevant financial year.

**10) Frauds**

According to the information and explanations given to us no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year

**11) Managerial Remuneration**

According to the information and explanations provided to us, the total Managerial remuneration paid/ provided by the Company is within the overall maximum limit as specified section 197 read with Schedule V to the Companies Act, 2013 and accordingly requirements as to obtaining requisite approval under this section does not arise

**12) Compliance with Net Owned Funds Ratio & unencumbered term deposits**

The company is not a Nidhi company and hence the provisions para 3(xii) of the Order referred to in Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act does not apply to the company

**13) Transaction with Related Parties**

There were no transactions as referred to in section 188 entered into with related parties during the relevant financial year.

**14) Preferential Allotment or Private Placement**

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review as referred to in section 42 of the Companies Act, 2013

**15) Non-cash transactions**

The company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Companies Act, 2013

**16) Registration with Reserve Bank of India**

The company is not carrying any activities which require registration under section 45-IA of the Reserve Bank of India Act, 1934

Place: Chennai

Date: May 24, 2019

**P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**P. B. Srinivasan**  
Partner  
M. No. 203774

## **Annexure – II to Independent Auditor’s Report**

### **Report on the Internal Financial Controls 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 S V Global Mill Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone 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.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 standalone 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 the standalone 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 standalone 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 standalone 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, 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 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.

Place: Chennai

Date: May 24, 2019

**P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**P. B. Srinivasan**  
Partner  
M. No. 203774

# S V GLOBAL MILL LIMITED - CHENNAI

## BALANCE SHEET AS AT MARCH 31, 2019

| Particulars                         | Notes | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------------------|-------|-------------------------|-------------------------|
| <b>ASSETS</b>                       |       |                         |                         |
| <b>1. Non-current Assets</b>        |       |                         |                         |
| (a) Property, Plant and Equipment   | 1     | 80,015,691              | 81,543,525              |
| (b) Intangible Asset                |       | -                       | -                       |
| (c) Capital Work-in-Progress        | 2     | 2,374,951               | -                       |
| (e) Financial Assets                |       |                         |                         |
| (i) Investments                     | 3     | 133,076,000             | 133,076,000             |
| (ii) Loans                          |       | -                       | -                       |
| (f) Other non-current Assets        | 4     | 1,585,933               | 214,993,104             |
|                                     |       | <b>217,052,575</b>      | <b>429,612,629</b>      |
| <b>2. Current Assets</b>            |       |                         |                         |
| (a) Inventories                     | 5     | 91,313,239              | 91,313,239              |
| (b) Financial Assets                |       |                         |                         |
| (i) Investments                     |       | -                       | -                       |
| (ii) Trade Receivables              | 6     | -                       | 160,000,000             |
| (iii) Cash and Cash Equivalents     | 7     | 14,966,773              | 266,874,507             |
| (iv) Other Bank Balances            |       | -                       | -                       |
| (v) Loans                           |       |                         |                         |
| (vi) Other Financial Assets         | 8     | 1,908,369               | 91,931,097              |
| (c) Other Current Assets            | 9     | 328,704,625             | 789,103,902             |
|                                     |       | <b>436,893,006</b>      | <b>1,399,222,745</b>    |
| <b>TOTAL ASSETS</b>                 |       | <b>653,945,581</b>      | <b>1,828,835,374</b>    |
| <b>EQUITY AND LIABILITIES</b>       |       |                         |                         |
| <b>Equity</b>                       |       |                         |                         |
| (a) Equity Share Capital            | 10    | 90,414,850              | 111,597,050             |
| (b) Other Equity                    |       |                         |                         |
| (i) Retained Earnings               | 11    | 239,222,495             | 1,402,765,555           |
| (ii) Other Reserves                 |       | 264,226,145             | 264,226,145             |
|                                     |       | <b>593,863,490</b>      | <b>1,778,588,750</b>    |
| <b>Liabilities</b>                  |       |                         |                         |
| <b>1. Non-Current Liabilities</b>   |       |                         |                         |
| (a) Financial Liabilities           |       |                         |                         |
| (i) Borrowings                      |       | -                       | -                       |
| (b) Deferred Tax liabilities (Net)  | 12    | 1,960,228               | 1,649,255               |
| (c) Other non-current Liabilities   |       |                         |                         |
|                                     |       | <b>1,960,228</b>        | <b>1,649,255</b>        |
| <b>2. Current Liabilities</b>       |       |                         |                         |
| (a) Financial Liabilities           |       |                         |                         |
| (i) Borrowings                      |       | -                       | -                       |
| (ii) Trade Payables                 |       | -                       | -                       |
| (iii) Other Financial Liabilities   |       | -                       | -                       |
| (b) Other Current Liabilities       | 13    | 7,015,820               | 7,755,136               |
| (c) Provisions                      | 14    | 51,106,043              | 40,842,233              |
|                                     |       | <b>58,121,863</b>       | <b>48,597,369</b>       |
| <b>Total Equity and Liabilities</b> |       | <b>653,945,581</b>      | <b>1,828,835,374</b>    |

Notes to the Financial Statement and the Significant Accounting Policies annexed form an integral part of the Balance Sheet.

As per our report of even date

**For P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**For S V Global Mill Limited**

**P. B. Srinivasan**  
Partner  
M. No. 203774

**M. Ethiraj**  
Chairman

**E. Shanmugam**  
Managing Director

Place: Chennai  
Date: 24.05.2019

**R. Sugumaran**  
Chief Financial Officer & Company Secretary

## S V GLOBAL MILL LIMITED - CHENNAI

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

| S. No | Particulars  | Notes     | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|-------|--|-----------|--------------------------------------|--------------------------------------|
| I     | Revenue From Operations  | 15        | 10,120,520                           | 106,468,159                          |
| II    | <b>Other Income</b>  | <b>16</b> | <b>101,373,333</b>                   | <b>70,046,135</b>                    |
| III   | <b>Total Income (I + II)</b>   |           | <b>111,493,853</b>                   | <b>176,514,294</b>                   |
| IV    | <b>Expenses</b>  |           |                                      |                                      |
|       | Changes in Inventories   |           | -                                    | -                                    |
|       | Employee Benefit Expenses  | 17        | 7,463,512                            | 7,211,787                            |
|       | Finance Costs  |           | -                                    | -                                    |
|       | Depreciation and Amortisation Expenses   | 18        | 3,079,099                            | 3,123,972                            |
|       | Other Expenses   | 19        | 270,681,909                          | 59,604,088                           |
|       | <b>Total Expenses (IV)</b>   |           | <b>281,224,520</b>                   | <b>69,939,847</b>                    |
| V     | Profit / (Loss) before Exceptional Items and Tax (III - IV)  |           | -169,730,667                         | 106,574,447                          |
| VI    | Exceptional Items  | 20        | 4,419,810                            | 23,335,320                           |
| VII   | Profit / (Loss) after Exceptional Items and Before Tax (V+VI)  |           | -174,150,477                         | 83,239,127                           |
| VIII  | Tax Expense:   |           |                                      |                                      |
|       | (1) Current Tax  |           | 10,263,810                           | 25,790,582                           |
|       | (2) Deferred Tax   |           | 310,973                              | 879,755                              |
| IX    | Profit / (Loss) for the period (VII - VIII)  |           | -184,725,260                         | 56,568,790                           |
| X     | Other Comprehensive Income   |           |                                      |                                      |
|       | 1. Re-measurements of defined benefit plans  |           |                                      |                                      |
| XI    | Total Comprehensive Income for the period (IX + X) (Comprising Profit (Loss) and other comprehensive Income) |           | -184,725,260                         | 56,568,790                           |
| XII   | Earnings per Equity Share  | 21        |                                      |                                      |
|       | (i) Basic (in Rs.)   |           | -8.29                                | 2.53                                 |
|       | (ii) Diluted (In Rs.)  |           | -8.29                                | 2.53                                 |

Notes to the Financial Statement and the Significant Accounting Policies annexed form an integral part of the Balance Sheet.

As per our report of even date

**For P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**P. B. Srinivasan**  
Partner  
M. No. 203774

Place: Chennai  
Date: 24.05.2019

**For S V Global Mill Limited**

**M. Ethiraj**  
Chairman

**E. Shanmugam**  
Managing Director

**R. Sugumaran**  
Chief Financial Officer & Company Secretary



# S V GLOBAL MILL LIMITED - CHENNAI

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

| Particulars   | For the Year Ended March 31, 2019 | For the Year Ended March 31, 2018 |
|---|-----------------------------------|-----------------------------------|
| <b>A. Cash Flow From Operating Activities</b>             |                                   |                                   |
| Net Profit Before Tax                                     | -174,150,477                      | 83,239,127                        |
| Adjustments for non-cash items:                           |                                   |                                   |
| Less:   |                                   |                                   |
| Profit on Disposal of Asset                               | -                                 |                                   |
| Interest Income   | 30,554,863                        | 58,421,218                        |
|   | 30,554,863                        | 58,421,218                        |
|   | -204,705,340                      | 24,817,909                        |
| Add:  |                                   |                                   |
| Depreciation  | 3,079,099                         | 3,123,972                         |
| Provision for Doubtful Advances                           | 213,419,601                       | -                                 |
| Interest Expense  | -                                 | -                                 |
|   | 216,498,700                       | 3,123,972                         |
| Operating Profit before Working Capital Changes           | 11,793,360                        | 27,941,881                        |
| Adjustments for:  |                                   |                                   |
| Trade Receivables   | 160,000,000                       | 150,000,000                       |
| Loans & Advances  | -                                 | 40,000                            |
| Inventories & Other Current Assets                        | 582,740,148                       | -880,443,138                      |
| Trade Payables & Other Current Liabilities                | -739,316                          | -231,759                          |
| Cash Flow Generated from Operations                       | 742,000,832                       | -730,634,897                      |
| Direct Tax Paid   | -32,318,143                       | 25,790,582                        |
|   | 709,682,689                       | -704,844,315                      |
| Net Cash from Operating Activities                        | 721,476,049                       | -676,902,434                      |
| <b>B. Cash-flow from Investing Activities</b>             |                                   |                                   |
| Purchase of property, plant and equip. & CWIP             | -3,926,216                        | -5,485,846                        |
| Sale of property, plant and equip. / Projects             | -                                 | -                                 |
| Increase in non-current assets                            | -12,430                           | -                                 |
| Sale / Purchase of Investments                            | -                                 | -109,500,000                      |
| Interest Received   | 30,554,863                        | 58,421,218                        |
| Net Cash used in Investing Activities                     | 26,616,217                        | -56,564,628                       |
| <b>C. Cash Flow from Financing Activities</b>             |                                   |                                   |
| Short Term Borrowings (Net)                               | -                                 | -                                 |
| Long Term Borrowings (Net)                                | -                                 | -                                 |
| Interest Paid   | -                                 | -                                 |
| Buy Back of Shares (adj against Face value)               | -21,182,200                       | -                                 |
| Buy Back of Shares (against Retained Earnings)            | -978,817,800                      | -                                 |
| Dividend (Including Dividend Distribution Tax)            | -                                 | -                                 |
| Net Cash used/received in Financing Activities            | -1,000,000,000                    | -                                 |
| Net Increase, (Decrease) Cash and Cash Equivalents        | -251,907,734                      | -733,467,062                      |
| Cash and Cash Equivalents as at the beginning of the Year | 266,874,507                       | 1,000,341,569                     |
| Cash and Cash Equivalents as at the End of the Year       | 14,966,773                        | 266,874,507                       |
| Note (-) indicates Cash Outflow                           |                                   |                                   |
| Details of Cash and Cash Equivalents                      |                                   |                                   |
| Cash in Hand  | 83,464                            | 69,221                            |
| Cash at bank in current accounts                          | 4,883,309                         | 2,634,965                         |
| Cash at bank in deposit accounts                          | 10,000,000                        | 264,170,321                       |

Notes to the Financial Statement and the Significant Accounting Policies annexed form an integral part of the Balance Sheet.

As per our report of even date

**For P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**For S V Global Mill Limited**

**P. B. Srinivasan**  
Partner  
M. No. 203774

**M. Ethiraj**  
Chairman

**E. Shanmugam**  
Managing Director

Place: Chennai  
Date: 24.05.2019

**R. Sugumaran**  
Chief Financial Officer & Company Secretary

Notes to Financial Statements - Movement in Equity for the Year Ended March 31, 2019

A. Equity Share Capital

| Equity Share Capital | As at 01.04.2017 |                                      | Movement during the Year |                                      | As at 31.03.2018 |                                      |
|----------------------|------------------|--------------------------------------|--------------------------|--------------------------------------|------------------|--------------------------------------|
|                      | No of Shares     | Equity Share Capital par Value (Rs.) | No of Shares             | Equity Share Capital par Value (Rs.) | No of Shares     | Equity Share Capital par Value (Rs.) |
|                      | 22,319,410       | 111,597,050                          | -                        | -                                    | 22,319,410       | 111,597,050                          |
| Equity Share Capital | As at 01.04.2018 |                                      | Movement during the Year |                                      | As at 31.03.2019 |                                      |
|                      | No of Shares     | Equity Share Capital par Value (Rs.) | No of Shares             | Equity Share Capital par Value (Rs.) | No of Shares     | Equity Share Capital par Value (Rs.) |
|                      | 22,319,410       | 111,597,050                          | -4,236,440               | -21,182,200                          | 18,082,970       | 90,414,850                           |

**B. Other Equity**

| Particulars   | Retained Earning and Other Reserves |                            |                   | Items of Other Comprehensive Income (OCI) | Total         |
|---|-------------------------------------|----------------------------|-------------------|---|---------------|
|   | Capital Reserve                     | Capital Redemption Reserve | Retained Earnings |   |               |
| As at 01.04.2017                                      | 144,517,565                         | 119,708,580                | 1,346,196,765     |   | 1,610,422,910 |
| Total Comprehensive Income for the Year               |                                     |                            |                   |   | -             |
| Profit or (Loss)                                      | -                                   | -                          | 56,568,790        |   | 56,568,790    |
| Other Comprehensive Income                            | -                                   | -                          | -                 |   | -             |
| Total Comprehensive Income                            | -                                   | -                          | 56,568,790        |   | 56,568,790    |
| Transactions with Owners, recorded directly in equity |                                     |                            | -                 |   | -             |
| Dividend  | -                                   | -                          |                   |   | -             |
| Appropriations  | -                                   | -                          | -                 |   | -             |
| Any other Changes (Remeasurement Loss)                | -                                   | -                          |                   |   | -             |
| Other Changes   | -                                   | -                          | -                 |   | -             |
| Balance as at 31st March 2018                         | 144,517,565                         | 119,708,580                | 1,402,765,555     |   | 1,666,991,700 |
| As at 01.04.2018                                      | 144,517,565                         | 119,708,580                | 1,402,765,555     |   | 1,666,991,700 |
| Total Comprehensive Income for the Year               |                                     |                            |                   |   | -             |
| Profit or Loss  | -                                   | -                          | -184,725,260      |   | -184,725,260  |
| Other Comprehensive Income                            | -                                   | -                          |                   |   | -             |
| Total Comprehensive Income                            | -                                   | -                          |                   |   | -             |
| Transactions with Owners, recorded directly in equity | -                                   | -                          | -978,817,800      |   | -978,817,800  |
| Dividend  | -                                   | -                          |                   |   | -             |
| Appropriations  | -                                   | -                          |                   |   | -             |
| Any other Changes (Remeasurement Loss)                | -                                   | -                          |                   |   | -             |
| Other Changes   | -                                   | -                          |                   |   | -             |
| Balance as at 31st March 2019                         | 144,517,565                         | 119,708,580                | 239,222,495       |   | 503,448,640   |

Notes to the Financial Statement and the Significant Accounting Policies annexed form an integral part of the Balance Sheet.

As per our report of even date

**For P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**For S V Global Mill Limited**

**P. B. Srinivasan**  
Partner  
M. No. 203774

**M. Ethiraj**  
Chairman

**E. Shanmugam**  
Managing Director

Place: Chennai  
Date: 24.05.2019

**R. Sugumaran**  
Chief Financial Officer & Company Secretary

Notes to Standalone Financial Statements - Assets

NON-CURRENT ASSETS

Property, Plant and Equipment

1. Tangible Assets

| Description       | Gross Cost          |                     |                                   | Depreciation        |              |                     | Net Value           |                     |
|-------------------|---------------------|---------------------|-----------------------------------|---------------------|--------------|---------------------|---------------------|---------------------|
|                   | As at<br>01.04.2018 | As at<br>31.03.2019 | As at<br>Additions /<br>Transfers | As at<br>01.04.2018 | For the Year | As at<br>31.03.2019 | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Land              | 24,978,583          | 24,978,583          | -                                 | -                   | -            | -                   | 24,978,583          | 24,978,583          |
| Building          | 58,892,470          | 58,892,470          | -                                 | 3,538,947           | 2,767,676    | 6,306,623           | 52,585,847          | 55,353,523          |
| Office Equipments | 563,655             | 1,384,403           | 820,748                           | 100,280             | 109,009      | 209,289             | 1,175,114           | 463,375             |
| Computers         | 245,340             | 245,340             | -                                 | 205,666             | 15,868       | 221,534             | 23,806              | 39,674              |
| Furniture         | 688,710             | 688,710             | -                                 | 10,159              | -            | 10,159              | 678,551             | 678,551             |
| Vehicles          | 29,819              | 760,336             | 730,517                           | -                   | 186,546      | 186,546             | 573,790             | 29,819              |
|                   | 85,398,577          | 86,949,842          | 1,551,265                         | 3,855,052           | 3,079,099    | 6,934,151           | 80,015,691          | 81,543,525          |

| Description       | Gross Cost          |                     |                                   | Depreciation        |              |                     | Net Value           |                     |
|-------------------|---------------------|---------------------|-----------------------------------|---------------------|--------------|---------------------|---------------------|---------------------|
|                   | As at<br>01.04.2017 | As at<br>31.03.2018 | As at<br>Additions /<br>Transfers | As at<br>01.04.2017 | For the Year | As at<br>31.03.2018 | As at<br>31.03.2018 | As at<br>31.03.2017 |
| Land              | 24,978,583          | 24,978,583          | -                                 | -                   | -            | -                   | 24,978,583          | 24,978,583          |
| Building          | 53,922,768          | 58,892,470          | 4,969,702                         | 627,765             | 2,911,182    | 3,538,947           | 55,353,523          | 53,295,003          |
| Office Equipments | 226,293             | 563,655             | 337,362                           | 35,753              | 64,527       | 100,280             | 463,375             | 190,540             |
| Computers         | 203,890             | 245,340             | 41,450                            | 67,562              | 138,104      | 205,666             | 39,674              | 136,328             |
| Furniture         | 551,378             | 688,710             | 137,332                           | -                   | 10,159       | 10,159              | 678,551             | 551,378             |
| Vehicles          | 29,819              | 29,819              | -                                 | -                   | -            | -                   | 29,819              | 29,819              |
|                   | 79,912,731          | 85,398,577          | 5,485,846                         | 731,080             | 3,123,972    | 3,855,052           | 81,543,525          | 79,181,651          |

## S V GLOBAL MILL LIMITED - CHENNAI

### Notes to Financial Statements

| Note No  | Particulars   | As at March 31, 2019 | As at March 31, 2018 |
|----------|---|----------------------|----------------------|
| <b>2</b> | <b>Capital Work in Progress</b>   |                      |                      |
|          |   | 2,374,951            | -                    |
|          |   | <b>2,374,951</b>     | -                    |
| <b>3</b> | <b>Financial Assets</b>   |                      |                      |
|          | <b>Investments</b>  |                      |                      |
|          | In equity shares partly paid up 810 shares (Previous Year 810) at Rs. 65 per share of Adyar Property Holding Co Pvt Ltd   | 1,000                | 1,000                |
|          | In equity shares fully paid up 1,30,00,000 shares (Previous Year 2050000) at Rs. 10.24 (Face Value Rs. 10) per share of M/s. SV Global Finance Private Limited - Subsidiary Company | 133,075,000          | 133,075,000          |
|          |   | <b>133,076,000</b>   | <b>133,076,000</b>   |
| <b>4</b> | <b>Other non-current Assets</b>   |                      |                      |
|          | <b>Unsecured Considered Good</b>  |                      |                      |
|          | Capital Advances  | 213,419,601          | 213,419,601          |
|          | Less: Provision for Doubtful Advances   | -213,419,601         |                      |
|          | Utility Deposits  | 232,333              | 219,903              |
|          | Rent Advance  | 1,353,600            | 1,353,600            |
|          |   | <b>1,585,933</b>     | <b>214,993,104</b>   |
| <b>5</b> | <b>Current Assets</b>   |                      |                      |
|          | <b>Inventories</b>  |                      |                      |
|          | Stock in Trade - Land and Building  | 91,313,239           | 91,313,239           |
|          |   | <b>91,313,239</b>    | <b>91,313,239</b>    |
| <b>6</b> | <b>Trade Receivables</b>  |                      |                      |
|          | Advance for Purchase of Property  | -                    | 160,000,000          |
|          |   | -                    | <b>160,000,000</b>   |
| <b>7</b> | <b>Cash and Cash Equivalents</b>  |                      |                      |
|          | Balances with Scheduled Banks in Current A/c  | 4,883,309            | 2,634,965            |
|          | Cash on Hand  | 83,464               | 69,221               |
|          | Fixed Deposits  |                      |                      |
|          | Short Term Deposits   | 10,000,000           | 264,170,321          |
|          |   | <b>14,966,773</b>    | <b>266,874,507</b>   |
| <b>8</b> | <b>Other Financial Assets</b>   |                      |                      |
|          | Interest Accrued  | 1,908,369            | 91,931,097           |
|          |   | <b>1,908,369</b>     | <b>91,931,097</b>    |
| <b>9</b> | <b>Other Current Assets</b>   |                      |                      |
|          | Other Receivables   | 593,454              | 2,818,670            |
|          | Prepaid Expenses  | 184,515              | 176,719              |
|          | Advance Income Tax & TDS  | 68,426,656           | 51,108,513           |
|          | Inter Corporate Deposits  | 239,500,000          | 735,000,000          |
|          | Wealth tax  | 20,000,000           | -                    |
|          |   | <b>328,704,625</b>   | <b>789,103,902</b>   |

**S V GLOBAL MILL LIMITED - CHENNAI**

|           |   |                                      |                                      |
|-----------|---|--------------------------------------|--------------------------------------|
| <b>10</b> | <b>Equity and Liabilities</b>   |                                      |                                      |
|           | <b>Equity Share Capital</b>   |                                      |                                      |
|           | Authorised, Issued, Subscribed and Paid-up Share Capital  |                                      |                                      |
|           | Authorised:   |                                      |                                      |
|           | 2,24,00,000 Equity Shares of Rs. 5/- each   | 112,000,000                          | 112,000,000                          |
|           | Issued:   |                                      |                                      |
|           | 18,082,970 Equity Shares (Previous Year 22,319,410) of Rs. 5/- each fully paid with voting rights | 90,414,850                           | 111,597,050                          |
|           |   | <b>90,414,850</b>                    | <b>111,597,050</b>                   |
| <b>11</b> | <b>Other Equity</b>   |                                      |                                      |
|           | a) retained Earnings  | 239,222,495                          | 1,402,765,555                        |
|           | b) Other Reserves   | 264,226,145                          | 264,226,145                          |
|           |   | <b>503,448,640</b>                   | <b>1,666,991,700</b>                 |
| <b>12</b> | <b>Deferred Tax Liabilities</b>   |                                      |                                      |
|           | Others  | 1,960,228                            | 1,649,255                            |
|           | <b>Deferred Tax Liabilities (Net)</b>   | <b>1,960,228</b>                     | <b>1,649,255</b>                     |
| <b>13</b> | <b>CURRENT LIABILITIES</b>  |                                      |                                      |
|           | <b>Other Current Liabilities</b>  |                                      |                                      |
|           | Other Current Liabilities   | 7,015,820                            | 7,755,136                            |
|           |   | <b>7,015,820</b>                     | <b>7,755,136</b>                     |
| <b>14</b> | <b>Provisions</b>   |                                      |                                      |
|           | Provision for Taxation  | 51,106,043                           | 40,842,233                           |
|           |   | <b>51,106,043</b>                    | <b>40,842,233</b>                    |
| <b>15</b> | <b>Revenue From Operations</b>  | <b>For the year ended 31-03-2019</b> | <b>For the year ended 31-03-2018</b> |
|           | Interest on Cancellation due to Delayed Delivery  | 1,196,712                            | 100,243,288                          |
|           | Income from rental of properties  | 8,923,808                            | 6,224,871                            |
|           |   | <b>10,120,520</b>                    | <b>106,468,159</b>                   |
| <b>16</b> | <b>Other Income</b>   |                                      |                                      |
|           | Interest Receipts   | 30,554,863                           | 58,421,218                           |
|           | Interest on Inter Corporate Deposits  | 67,498,495                           | 6,570,921                            |
|           | Agricultural Income   | 70,000                               | 100,000                              |
|           | Other Income  | 3,249,975                            | 4,953,996                            |
|           |   | <b>101,373,333</b>                   | <b>70,046,135</b>                    |
| <b>17</b> | <b>Employee Benefit Expenses</b>  |                                      |                                      |
|           | Salaries, Wages and Incentives to Employees   | 4,707,482                            | 5,143,993                            |
|           | Salary to Managing Director   | 500,000                              | 48,000                               |
|           | Welfare Expenses  | 2,256,030                            | 2,019,794                            |
|           |   | <b>7,463,512</b>                     | <b>7,211,787</b>                     |
| <b>18</b> | <b>Depreciation and Amortisation Expenses</b>   |                                      |                                      |
|           | Depreciation on Property, Plant and Equipments  | 3,079,099                            | 3,123,972                            |
|           |   | <b>3,079,099</b>                     | <b>3,123,972</b>                     |

**S V GLOBAL MILL LIMITED - CHENNAI**

|           |   |                    |                   |
|-----------|---|--------------------|-------------------|
| <b>19</b> | <b>Other Expenses</b>   |                    |                   |
|           | Power and Water   | 2,071,391          | 1,954,891         |
|           | Rent  | 2,030,400          | 2,106,540         |
|           | Rates, Taxes & Insurance  | 7,391,217          | 3,890,309         |
|           | Statutory Expenses  | 1,259,900          | 605,672           |
|           | Printing & Stationery   | 492,612            | 482,551           |
|           | Postage, Courier & Telephone Expenses   | 575,312            | 487,041           |
|           | Travelling & Conveyance Expenses  | 4,333,378          | 5,190,874         |
|           | Advertisement Expenses  | 63,717             | 478,991           |
|           | Payment to Auditors   |                    |                   |
|           | Statutory Audit Fees  | 309,000            | 236,000           |
|           | Tax Audit Fees  | 25,000             | -                 |
|           | Other Tax Matters   | 315,000            | -                 |
|           | Other Fees  | 30,000             | 30,000            |
|           | Professional Fees   | 25,669,194         | 29,666,440        |
|           | Repairs and Maintenance   | 6,557,259          | 9,232,418         |
|           | Security Charges  | 2,975,873          | 2,333,250         |
|           | Donation  | 106,620            | 50,000            |
|           | Garden Maintenance  | 1,596,006          | 891,460           |
|           | Sitting Fees to Directors   | 75,000             | 100,000           |
|           | Provision for Doubtful Advances   | 213,419,601        | -                 |
|           | Miscellaneous Expenses  | 1,385,429          | 1,867,651         |
|           |   | <b>270,681,909</b> | <b>59,604,088</b> |
| <b>20</b> | <b>Exceptional Items</b>  |                    |                   |
|           | Labour claim settlement expenses  | 4,419,810          | 23,335,320        |
|           |   | <b>4,419,810</b>   | <b>23,335,320</b> |
| <b>21</b> | <b>Earnings Per Share - Basic and Diluted</b>   |                    |                   |
|           | Profit after Tax  | -184,725,260       | 56,568,790        |
|           | Weighted Average Number of Shares as at 31.03.2019  | 22,296,197         | 22,319,410        |
|           | Face Value of Shares (Rs.)  | 5                  | 5                 |
|           | Earnings Per Share - Basic and Diluted (Rs.)  | -8.29              | 2.53              |
|           | The Company does not have any potentially dilutive shares, thus the basic and the diluted earnings per share is same. |                    |                   |

### 1. REPORTING ENTITY

S V Global Mill Ltd (S V Global or the Company) is company registered under the erstwhile Companies Act, 1956 with its registered office at New No. 5/1, Old No. 3/1, 6th Cross Street, CIT Colony, Mylapore, Chennai – 600004 and is also listed with the Bombay Stock Exchange Limited. S V Global is engaged in the business of real estate.

### 2. BASIS OF PREPARATION

#### a) Statement of Compliance

The Company adopted the Ind AS in preparation of the financial statements notified by the Ministry of Corporate Affairs vide Notification No. G.S.R. 111(E) dated 16th February 2015 as amended from time to time. Accordingly, the financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under section 133 of the Companies Act, 2013 (the "Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other accounting principles generally accepted in India.

#### b) Functional Currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be Indian Rupees (INR). The financial statements are presented in Indian Rupees ('INR') which is the Company's functional currency and presentational currency.

#### c) Basis of Measurement

The financial statements have been prepared on a historical cost basis, except otherwise stated.

#### d) Use Of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in the future periods. Difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

#### e) Significant Estimates and Judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

- Estimation of useful life of Property, Plant and Equipment and residual values
- Estimation and evaluation of provisions and contingencies

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at 01st April 2016 for the purposes of the transition to Ind AS.



### 3.1. Current and non-current classification

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- There is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of financial liabilities some part of which may be non-current. All other liabilities are classified as non-current.

Deferred tax assets are classified as non-current assets.

#### Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

### 3.2. Property, Plant and Equipment

#### Recognition and Measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of taxes, duties, freight, installation allocated incidental expenditure during construction / acquisition, borrowing cost and necessary adjustments in the year of final settlement. The cost of Property, Plant and Equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same. The present value of those costs (decommission and/or restoration costs) is capitalised as an asset and depreciated over the useful life of the asset.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Administration and general overhead expenses attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

### **Capital Work-in-Progress**

Capital work-in-progress includes assets under construction and cost attributable to construction of assets not ready for use before the year end.

### **Subsequent Expenditure**

Subsequent expenditure are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

### **Depreciation**

- I. Depreciation is provided on the cost of the property, plant and equipment less their estimated residual values over their estimated useful lives, and is recognized in the Statement of Profit and Loss. The company depreciates property, plant and equipment as per guidance set out in Schedule II of the Companies Act, 2013 on written down value (WDV) method except in respect of the assets mentioned (ii) below
- II. Assets costing up to INR 5,000 are depreciated fully in the year of purchase.
- III. In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis, for the period the asset is available for use.

### **Derecognition**

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the Statement of Profit and Loss.

### **3.3. Inventories**

Land held as Stock-in-Trade for Property Development is stated at lower of cost and net realizable value.

### **3.4. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial Asset**

##### **Initial Recognition and Measurement**

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus or minus, in

the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

### **Classification**

The company classifies its financial assets in the following categories

- Financial Assets at amortised cost
- Financial Assets measured subsequently at fair value (either through other comprehensive income, or through profit or loss)

The classification depends upon the company's business model for managing the financial assets and the contractual cash flows of the financial asset.

### **Debt Instruments**

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at Fair Value through Profit or Loss (FVTPL).

### **Equity Instruments**

The Company subsequently measures all investments in equity (except of the subsidiaries/associate) at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

### **Subsequent Measurement**

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss.

Financial assets at FVOCI or FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in OCI or the statement of profit and loss respectively. Dividends/Interest Income from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

### **Impairment**

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss

allowance computed using ECL model, is recognised as an impairment gain or loss in the statement of profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately. Where the Company elects to measure FVTPL, changes in the fair value of such financial assets are recognised in the statement of profit and loss.

### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the statement of profit and loss.

### Financial Liability

#### Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

#### Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in the statement of profit and loss.

#### Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Any gain or loss on derecognition is also recognised in the statement of profit and loss.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

### 3.5. Investment in subsidiaries / associates:

Investment in subsidiaries / associates are measured at cost less provision for impairment.

### 3.6. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**3.7. Impairment of non-financial assets:**

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Company estimates the asset's recoverable amount.

Impairment losses are provided for Cash Generating Units (CGU) and also for individual assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and is recognised in the Statement of Profit & Loss

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognised

**3.8. Prior period items, Accounting estimates and effect of change in Accounting Policy**

Prior period errors of material nature, are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

The effect of change in accounting estimate is recognised prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognised by adjusting the carrying amount of related assets/liability/equity in the period of change.

Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in the Ind AS. In other cases, the changes in accounting policy are recognised retrospectively, the application of such change is limited to the earliest period practicable.

**3.9. Events occurring after the balance sheet date**

Events occurring after the balance sheet date are those events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS 10.

**3.10. Revenue**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured. Revenue from sale is recognized when significant risks and rewards of ownership are transferred to the customers. Revenue is measured at the fair value of the consideration received/receivable net of discounts

**Revenue from cancellation of contracts**

Revenue from cancellation of contracts in the usual course of real estate business is recognised when the compensation/interest/fee payable to the company is determined and agreed between the parties.

**Revenue from Rentals**

Revenue includes revenue earned through rental of company's properties invoiced for fixed monthly charges or time proportionate basis.

### **Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### **Dividend**

Dividend income is recognized in the Profit and Loss account when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

### **Others**

Sale proceeds of scrap are taken into other non-operating income in the year of sale.

### **3.11. Borrowing Costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in respect of long term foreign currency liabilities of the respective asset to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed.

All other borrowing costs are expensed in the year in which they occur

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### **3.12. Income Taxes**

Income tax expense comprises current and deferred tax. It is recognized in profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

#### **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### **Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### **Minimum Alternate Tax**

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability.

### **3.13. Earnings per Share**

The Company presents basic and diluted earnings/ (loss) per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

### **3.14. Provisions and Contingencies**

#### **Provisions**

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

#### **Contingent liabilities**

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

### **Contingent Assets**

Contingent assets are neither recognized nor disclosed in the financial statements.

### **3.15. Segment Reporting**

Information reported to the Board of Directors who is chief operating decision maker (CODM) for the purposes of resources allocation and assessment of segment performance focuses on the types of services provided.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

### **3.16. Leases**

Determination whether an arrangement contains a lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of an arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

#### **Where the Company is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, Plant and Equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

#### **Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. 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.



**22. Related Party disclosures**

(i). List of Related Parties

| Sl. No | Nature  | Name of the Party                    |
|--------|---|--------------------------------------|
| 1      | Key Management Personnel                              | 1) M. Ethiraj                        |
|        |   | 2) E. Shanmugam                      |
|        |   | 3) S. Valli                          |
|        |   | 4) P. S. Pandian (upto 31.03.2019)   |
|        |   | 5) Satyajit Prasad                   |
|        |   | 6) Dr. Sivaram Selvakumar            |
|        |   | 7) Balabaskar (w.e.f 06.02.2019)     |
| 2      | List of entities where KMP have significant influence | 1) Tiger Farms & Enterprises Pvt Ltd |
|        |   | 2) Srinidhi Finance Pvt Ltd          |
|        |   | 3) The Thirumagal Mills Ltd          |
|        |   | 4) Thirumagal Enterprises Ltd        |
|        |   | 5) Sriraj Mills Pvt Ltd              |
|        |   | 6) Artha Farms Ltd                   |
|        |   | 7) Artha Trading Pvt Ltd             |
|        |   | 8) SV Technology Solutions Pvt Ltd   |
|        |   | 9) Ethiraj Foundation                |

(ii). Remuneration to Key Managerial Personnel

| Sl. No | Name         | Designation             | Remuneration        |
|--------|--------------|-------------------------|---------------------|
| 1.     | M. Ethiraj   | Chairman                | Nil                 |
| 2.     | E. Shanmugam | Managing Director       | Rs.5,00,000 + Perks |
| 3.     | R. Sugumaran | Chief Financial Officer | Rs. 18,00,000       |
| 4.     | K. Murali    | Company Secretary       | Rs. 12,00,000       |

The Managing Director, Mr E. Shanmugam is eligible for a Remuneration subject to a ceiling of Rs. 5 lakhs per annum plus perquisites (perquisite includes a Rent-Free furnished Accommodation) and benefits as per the terms of appointment as resolved by the board in their meeting dated 03rd February 2017 and approved by the members of the Company in its Annual General Meeting held on 13th December 2017.

Transactions with subsidiary during the year

|        |                     |                             |                             | (Rs. in lakh)        |
|--------|---------------------|-----------------------------|-----------------------------|----------------------|
| Sl. No | Name                | Transaction during the year | Max Amt o/s during the year | O/s as on 31.03.2019 |
| 1.     | Loan Given          | 4955.55                     | 8905.00                     | 2395.00              |
| 2.     | Equity Contribution | -                           | 1330.76                     | 1330.76              |
| 3.     | Interest on Loans   | 674.98                      | 75.63                       | 21.20                |

23. Financial Instruments – Fair Value Disclosure and Risk Management

A. Fair Value Disclosures

(i). As on 31.03.2019

| (Rs. in lakh)                   |                |       |       |     |
|---------------------------------|----------------|-------|-------|-----|
| Particulars                     | Amortised Cost | FVTPL | FVOCI | Net |
| <b>A Financial Assets</b>       |                |       |       |     |
| Investments                     | -              | -     | -     | -   |
| Trade Receivables               | -              | -     | -     | -   |
| Cash & Cash Equivalents         | 149.67         | -     | -     |     |
| Other Financial Assets          | 19.08          | -     | -     |     |
| <b>B. Financial Liabilities</b> |                |       |       |     |
| Borrowings                      | -              | -     | -     | -   |
| Trade Payables                  | -              | -     | -     | -   |
| Other Financial Liabilities     | -              | -     | -     | -   |

(ii). As on 31.03.2018

| (Rs. in lakh)                   |                |       |       |         |
|---------------------------------|----------------|-------|-------|---------|
| Particulars                     | Amortised Cost | FVTPL | FVOCI | Net     |
| <b>A Financial Assets</b>       |                |       |       |         |
| Investments                     | -              | -     | -     | -       |
| Trade Receivables               | 1600.00        | -     | -     | 1600.00 |
| Cash & Cash Equivalents         | 2668.75        | -     | -     | 2668.75 |
| Other Financial Assets          | 919.31         | -     | -     | 919.31  |
| <b>B. Financial Liabilities</b> |                |       |       |         |
| Borrowings                      | -              | -     | -     | -       |
| Trade Payables                  | -              | -     | -     | -       |
| Other Financial Liabilities     | -              | -     | -     | -       |

B. Risk Management

(i). Credit Risk

Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

### a) Cash and Cash Equivalents

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

### b) Trade Receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts ased on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivable more than 2 years past due. However the Company based upon historical experience determine an impairment allowance for loss on receivables.

### (ii). Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of Rs 149.67 lakh as at 31.03.2019 (Rs. 2668.74 lakh as on 31.03.2018), anticipated future internally generated funds from operations, enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

### (iii). Market Risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: Currency risk and Interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### a) Currency Risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to the effects of fluctuation in the

prevailing foreign currency exchange rates on its financial position and cash flows as there is no foreign currency exposure.

**b) Interest Rate Risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has not borrowed any funds from banks/financial institutions/other and thereby there is no foreseeable risk due to change in interest rates

**24. Capital Management**

For the purpose of the Company’s capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

The company’s objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided (total borrowings net of cash and cash equivalents) by Total Equity (equity attributable to owners of the parent plus interest-bearing debts).

(Rs. in lakh)

| Particulars                    | As on 31.03.2019 | As on 31.03.2018 |
|--------------------------------|------------------|------------------|
| Borrowings                     | -                | -                |
| Less: Cash and Cash Equivalent |                  |                  |
| Total Equity                   | 5,938.63         | 177,85.88        |
| Net Debt Equity Ratio          | -                | -                |

Based on the current scenario considering the capital requirement for operation of the company as decided by the management the company has not borrowed any amounts from Banks/Financial Institutions/Others.

**25. Disclosure as per Ind AS 112 – Disclosure of Interest in Other Entities**

**Subsidiary Company**

| Name of the Entity                | Place of Business and Principal Activities        | Ownership Interest held by the Holding company |            |
|-----------------------------------|---|--|------------|
|                                   |   | 31.03.2019                                     | 31.03.2018 |
| SV Global Finance Private Limited | India, Non-Deposit taking NBFC engaged in Lending | 99.99%   | 99.99%     |

26. Disclosure as per Ind AS 12 – Income Taxes

A. Amounts recognised in Statement of Profit & Loss Account

| Particulars                                     | FY 2018-19         | FY 2017-18         |
|---|--------------------|--------------------|
| Current Tax                                     |                    |                    |
| Current Tax on profits for the year             | 1,02,63,810        | 2,57,90,582        |
| Adjustment for earlier years                    | -                  | -                  |
| <b>Total Current Tax Expenses</b>               | <b>1,02,63,810</b> | <b>2,57,90,582</b> |
| Deferred Tax                                    |                    |                    |
| Increase/(Decrease) in Deferred Tax Liabilities | 3,10,973           | 8,79,755           |
| <b>Total Deferred Tax Expenses</b>              | <b>3,10,973</b>    | <b>8,79,755</b>    |

B. Amounts recognised in Other Comprehensive Income

| Particulars  | FY 2018-19 | FY 2017-18 |
|--|------------|------------|
| Income Tax   | -          | -          |
| Remeasurement of post employment benefit obligations   | -          | -          |
| <b>Income Tax charge to Other Comprehensive Income</b> | <b>-</b>   | <b>-</b>   |

C. Reconciliation of Effective Tax Rate

| Particulars   | FY 2018-19    | FY 2017-18  |
|---|---------------|-------------|
| Profit before Income Tax Expenses   | -17,41,50,477 | 8,32,39,127 |
| Income Tax on Profits at effective tax rate of - 17.05% (FY 18-19 – 32.14%) | 1,02,63,810   | 2,57,90,582 |
| Tax Effect of Disallowable Expenses   | 6,02,29,938   | 5,17,709    |
| Deferred Tax Liability  | 3,10,973      | 8,79,755    |
| Income Tax Expenses   | 1,02,63,810   | 2,57,90,582 |

27. Order of Hon'ble Supreme Court of India

The Company Law Board (CLB) passed an order dated 10.3.2016 against which the Company filed an appeal before the Hon'ble High Court of Madras. The Hon'ble High Court vide its judgement dated 4.7.2017 set aside the order of the CLB to the extent, it directs purchase of equity stake by the Company. The Hon'ble High Court remanded the matter to NCLT to deal with objections raised on valuation of shares within 8 weeks from the date of the order. The Hon'ble High Court further directed that the Company shall not transfer and/or create a third party interest in its immovable assets till disposal of matter by NCLT. The NCLT has partially heard the matter. Against the order of the Hon'ble High Court of Madras, the company filed a SLP before the Hon'ble Supreme Court of India.

The Honourable Supreme Court while disposing of the SLP filed by the Company, vide its order dated 10.05.2018 and 17.05.2018, directed that the Company to buy the shares of respondents 1 to 6 at the price of Rs.100 crore within a period of 9 months from the date of the order. On payment, the share capital of the Company shall stand reduced by virtue of the order. The Hon'ble court further held that the buyback of share will not trigger the SEBI Takeover Regulations. The observations of the High Court will not bind in any other proceedings between the parties.

In compliance with the order of the Hon'ble Supreme Court of India dated 25.02.2019, the company deposited an amount of Rs. 100 crore with the Court Registry on 06.03.2019. Thereafter, the Hon'ble Supreme Court vide its order dated 29.03.2019 directed the effecting of buyback and cancellation of shares.

Accordingly, the company has given effect to the same in the books of accounts resulting in reduction in face value of share capital from Rs.11,15,97,050 to Rs. 9,04,14,850. The balance of Rs. 97,88,17,800 after reduction of face value of shares has been adjusted against the free reserves of the company resulting in reduction of free reserves from Rs.140,27,65,556 to Rs 42,39,47,756. Upon transfer of the loss of the current financial year amounting to Rs. 18,47,25,260 the free reserves stands at Rs.23,92,22,495

**28. Capital Advance**

Pursuant to the scheme of demerger of erstwhile Binny Limited as approved by the Hon'ble High Court of Madras, the amounts payable by M/s Padmaadevi Sugars Ltd to erstwhile Binny Limited amounting to Rs. 21.34 crore was allocated to S V Global Mill Limited as treated as recoverable from M/s Padmadevi Sugars Ltd.

M/s Padmadevi Sugars Ltd has been referred to the National Company Law Tribunal by its creditors. Considering the proceedings before the NCLT, the management by way of abundant caution provided for the entire amount recoverable from M/s Padmadevi Sugars Ltd.

**29. Exceptional Item**

The erstwhile Binny Limited could not operate the Bangalore Woolen, Cotton and Silk Mills, Bangalore and the factory declared a lock out during the period 26.12.1988 to 05.08.1989. Consequently, the dispute regarding wages during lock out period arose and Industrial Tribunal vide I.D. 9/1990 dated 03.11.1990 passed an award against Binny Ltd for payment of wages and other benefits for the lock out period.

Against the order of the Industrial Tribunal, a Writ Appeal was filed before the Hon'ble High Court of Karnataka, by erstwhile M/s Binny Ltd which was dismissed. Against the order of the Hon'ble High Court of Karnataka a Special Leave Petition was filed by erstwhile M/s Binny Ltd before the Hon'ble Supreme Court of India which was also dismissed. Thereafter, the matter was referred back to the Deputy Labour Commissioner (DLC), Division – I, Bangalore for determination settlement payable to the labourers. In the meanwhile, as per the Scheme of demerger approved by the Hon'ble High Court of Madras, M/s. SV Global Mill Ltd has taken over this dispute.

During the current financial year, the Deputy Labour Commissioner ordered to settle the amounts to the respective labourers covered by the order and accordingly the company has paid an amount of Rs. 44,19,810 (previous year Rs.2,33,35,320) and the same has been treated as Exceptional Item in the Statement of Profit and Loss for the year ended 31st March 2019.

**30. Disclosure in terms of Regulation 34(3) of LODR**

| <b>Name of the Company</b>  | <b>Amount o/s as on 31.03.2019</b> | <b>Amount o/s as on 31.03.2018</b> |
|---|------------------------------------|------------------------------------|
| SV Global Finance Private Limited<br>(1,30,00,000 equity shares of Rs. 10 each fully paid up)<br>(Previous year 1,30,00,000 shares) | Rs. 13,30,75,000                   | Rs. 13,30,75,000                   |

**31. Claims not acknowledged as debt**

During the financial year 2016-17, the company has received legal notices from various statutory authorities pertaining to the affairs of Binny Limited. As the company is not involved in the allegations/ disputes, the company has challenged the issue of notices on M/s. SV Global Mill Limited.

**32. Appeal for enhanced compensation on compulsory acquisition**

Lands to the extent of 3 acres and 16 guntas was compulsorily acquired during the year 2013-14, by the Special Land Acquisition Officer (SLOA), Government of Karnataka for public purpose. In respect of the compulsory acquisition, the Company during the financial year 2014-15 received compensation under the Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR 2013) .

The award was accepted under protest with regard to the determination of market value, the manner and the method of computation of compensation and an application requesting enhancement of compensation was filed.

Upon hearing the protest application, the II-Additional City Civil and Session Judge vide his order dated 29.10.2018 enhanced the compensation from Rs. 4,620 per Sq ft to Rs. 8,624 per Sq ft along with relevant additional compensation and interest. The company has approached the Government of Karnataka for the implementation of the Hon'ble Court Order.

In the meanwhile, against order enhancing the compensation for compulsory acquisition, the Government of Karnataka has filed an appeal before the Hon'ble High Court of Karnataka. Pending the determination of the compensation and the appeal before the Hon'ble High Court of Karnataka, the enhanced compensation is not recorded in the books of account.

**33. Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006**

The company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures if any relating to amounts unpaid as at the yearend together with interest paid / payable as required under the said Act have not been made.

**34. Figures in the financial statements and in the Notes have been rounded off to the nearest rupee.**

As per our report of even date

**For P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**P. B. Srinivasan**  
Partner  
M. No. 203774

Place: Chennai  
Date: 24.05.2019

**For S V Global Mill Limited**

**M. Ethiraj**  
Chairman

**E. Shanmugam**  
Managing Director

**R. Sugumaran**  
Chief Financial Officer & Company Secretary

## Independent Auditor's Report

To the members of S V Global Mill Limited

Report on the Consolidated Ind AS Financial Statements

### Opinion

We have audited the consolidated financial statements of M/s S V Global Mill Limited (hereinafter referred to as the "Holding Company"), and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at 31st March 2019, and the Consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated loss, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following have been considered as Key Audit Matters:



## S V GLOBAL MILL LIMITED - CHENNAI - CONSOLIDATED

| Sl. No | Key Audit Matters  | Auditor's Response   |
|--------|--|--|
| 1      | <p>Reduction of Share Capital</p> <p>The Hon'ble Supreme Court of India vide its order dated 17.05.2018 directed the company to buy the shares of certain shareholders within a period of 9 months from the date of the order at a price of Rs. 100 crore. As a result, the share capital has been reduced to the extent of the face value of the shares and the balance has been adjusted against the free reserves of the company.</p> <p>Refer Note no. 27 to the financial statement</p> | <p>The orders of the Hon'ble Supreme Court of India in the matter of the buyback arrangement were studied and the effects of the same in accounting of the event in the books were analysed. We took consideration of the matters stated therein including the carve-outs created by the orders of the Hon'ble Supreme Court that</p> <ul style="list-style-type: none"> <li>• the buyback will not trigger SEBI Takeover Regulations.</li> <li>• the buyback does not amount to shares being transferred inter vivos</li> <li>• the payment for the shares shall not be treated as deemed dividend</li> <li>• the buyback will not be subject to any liability under the Income Tax Act, 1961; and</li> <li>• on payment of the sums the, share capital of the company shall stand reduced by the virtue of the order.</li> </ul> <p>We sought explanations from the Management on implications of the order of the Hon'ble Supreme Court of the issues that would involve appropriate adjustments and disclosures in financial statements of the company.</p> <p>We examined the accounting for reduction of share capital vis-a-vis the reduction from the Free Reserves (being the balance of Rs. 100 crore and the face value of the shares brought back) to analyse the appropriateness of the accounting treatment of transactions in the books of account, its presentation and disclosure in the financial statements and the compliance with the relevant provisions of the Companies Act, 2013.</p> |
| 2      | <p>Provision against Capital Advance</p> <p>The company created provision on the entire outstanding balance of Capital Advances of Rs. 21.34 crore</p> <p>Refer Note no. 28 to the financial statement</p>   | <p>We were informed that a capital advance was given by the erstwhile Binny Limited and taken over by the company during the course of demerger as ordered by the Hon'ble High of Madras. A petition has been filed by the secured creditors before the NCLT against the entity to whom the capital advance given by the erstwhile Binny Limited.</p> <p>We sought explanations from the Management on the implications of the petition before NCLT and recoverability of the amounts advanced.</p> <p>As the management was of the view that the chances of recovery of advances were remote and accordingly provided for the same.</p> <p>We reviewed status of the matters and the adequacy of the provision against the receivable. We examined the appropriateness of the accounting treatment of transactions in the books of account, its presentation and disclosure in the financial statements and the compliance with the applicable GAAP.</p>  |

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

The Group's Board of Directors is responsible for the other information. The other information comprises the included in 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 consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and in case the material misstatement remains uncorrected suitable action would be resorted to including bring to the attention of the users the matters of such material misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, the consolidated financial performance, the consolidated changes in equity and the consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated statement of changes in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of internal financial control systems and the operating effectiveness of such controls, we give our Report in Annexure – I
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated Ind AS financial statements has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
    - ii. The Group its associates and jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company and/or its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

Place: Chennai

Date: May 24, 2019

**P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**P. B. Srinivasan**  
Partner  
M. No. 203774

## **Annexure – I to Independent Auditor’s Report**

### **Report on the Internal Financial Controls 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 S V Global Mill Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company (the Holding Company and its subsidiary company together referred to as “the Group”) as of March 31, 2019 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

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

The respective Board of Directors of the Holding Company, its subsidiary company are 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.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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, the Holding Company, its subsidiary company, have 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 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.

Place: Chennai

Date: May 24, 2019

**P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**P. B. Srinivasan**  
Partner  
M. No. 203774

# S V GLOBAL MILL LIMITED - CHENNAI - CONSOLIDATED

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

| Particulars                         | Notes | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------------------|-------|-------------------------|-------------------------|
| <b>1. Non-current Assets</b>        |       |                         |                         |
| (a) Property, Plant and Equipment   | 1     | 80,015,691              | 81,543,525              |
| (b) Intangible Asset                |       | 3,075,000               | 3,075,000               |
| (c) Capital Work-in-Progress        | 2     | 2,374,951               | -                       |
| (d) Financial Assets                |       |                         |                         |
| (i) Investments                     | 3     | 1,000                   | 1,000                   |
| (ii) Loans                          |       | -                       | -                       |
| (e) Other non-current Assets        | 4     | 1,585,933               | 214,993,104             |
|                                     |       | <b>87,052,575</b>       | <b>299,612,629</b>      |
| <b>2. Current Assets</b>            |       |                         |                         |
| (a) Inventories                     | 5     | 91,313,239              | 91,313,239              |
| (b) Financial Assets                |       |                         |                         |
| (i) Investments                     |       | -                       | -                       |
| (ii) Trade Receivables              | 6     | 400,000,000             | 1,025,000,000           |
| (iii) Cash and Cash Equivalents     | 7     | 15,125,086              | 269,583,324             |
| (iv) Other Bank Balances            |       | -                       | -                       |
| (v) Loans                           |       |                         |                         |
| (vi) Other Financial Assets         | 8     | 4,279,973               | 93,575,999              |
| (c) Other Current Assets            | 9     | 102,362,128             | 55,514,749              |
|                                     |       | <b>613,080,426</b>      | <b>1,534,987,311</b>    |
| <b>Total Assets</b>                 |       | <b>700,133,001</b>      | <b>1,834,599,940</b>    |
| <b>EQUITY AND LIABILITIES</b>       |       |                         |                         |
| <b>Equity</b>                       |       |                         |                         |
| (a) Equity Share Capital            | 10    | 90,414,850              | 111,597,050             |
| (b) Other Equity                    |       |                         |                         |
| (i) Retained Earnings               | 11    | 264,986,356             | 1,406,878,790           |
| (ii) Other Reserves                 |       | 271,532,181             | 265,307,024             |
|                                     |       | <b>626,933,387</b>      | <b>1,783,782,864</b>    |
| <b>Liabilities</b>                  |       |                         |                         |
| <b>1. Non-Current Liabilities</b>   |       |                         |                         |
| (a) Financial Liabilities           |       |                         |                         |
| (i) Borrowings                      |       | -                       | -                       |
| (b) Deferred Tax liabilities (Net)  | 12    | 1,960,228               | 1,649,255               |
| (c) Other non-current Liabilities   |       |                         |                         |
|                                     |       | <b>1,960,228</b>        | <b>1,649,255</b>        |
| <b>2. Current Liabilities</b>       |       |                         |                         |
| (a) Financial Liabilities           |       |                         |                         |
| (i) Borrowings                      |       | -                       | -                       |
| (ii) Trade Payables                 |       | -                       | -                       |
| (iii) Other Financial Liabilities   |       | -                       | -                       |
| (b) Other Current Liabilities       | 13    | 7,269,161               | 8,002,406               |
| (c) Provisions                      | 14    | 63,970,225              | 41,165,415              |
|                                     |       | <b>71,239,386</b>       | <b>49,167,821</b>       |
| <b>Total Equity and Liabilities</b> |       | <b>700,133,001</b>      | <b>1,834,599,940</b>    |

Notes to the Financial Statement and the Significant Accounting Policies annexed form an integral part of the Balance Sheet.

As per our report of even date

**For P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**For S V Global Mill Limited**

**P. B. Srinivasan**  
Partner  
M. No. 203774

**M. Ethiraj**  
Chairman

**E. Shanmugam**  
Managing Director

Place: Chennai  
Date: 24.05.2019

**R. Sugumaran**  
Chief Financial Officer & Company Secretary

## S V GLOBAL MILL LIMITED - CHENNAI - CONSOLIDATED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

| S. No | Particulars  | Notes | For the Year Ended<br>March 31, 2019 | For the Year Ended<br>March 31, 2018 |
|-------|--|-------|--------------------------------------|--------------------------------------|
| I     | Revenue From Operations  | 15    | 123,680,657                          | 117,572,267                          |
| II    | Other Income   | 16    | 30,811,841                           | 65,771,075                           |
| III   | <b>Total Income (I + II)</b>   |       | <b>154,492,498</b>                   | <b>183,343,342</b>                   |
| IV    | <b>Expenses</b>  |       |                                      |                                      |
|       | Changes in Inventories   |       | -                                    | -                                    |
|       | Employee Benefit Expenses  | 17    | 7,463,512                            | 7,211,787                            |
|       | Finance Costs  |       | -                                    | -                                    |
|       | Depreciation and Amortisation Expenses   | 18    | 3,079,099                            | 3,123,972                            |
|       | Other Expenses   | 19    | 273,263,746                          | 61,057,522                           |
|       | <b>Total Expenses (IV)</b>   |       | <b>283,806,357</b>                   | <b>71,393,281</b>                    |
| V     | Profit / (Loss) before Exceptional Items and Tax (III - IV)  |       | -129,313,859                         | 111,950,061                          |
| VI    | Exceptional Items  | 20    | 4,419,810                            | 23,335,320                           |
| VII   | Profit / (Loss) after Exceptional Items and Before Tax (V+VI)  |       | -133,733,669                         | 88,614,741                           |
| VIII  | Tax Expense:   |       |                                      |                                      |
|       | (1) Current Tax  |       | 22,804,810                           | 26,099,164                           |
|       | (2) Deferred Tax   |       | 310,973                              | 879,755                              |
| IX    | Profit / (Loss) for the period (VII - VIII)  |       | -156,849,452                         | 61,635,822                           |
| X     | Other Comprehensive Income   |       |                                      |                                      |
|       | 1. Re-measurements of defined benefit plans  |       |                                      |                                      |
| XI    | Total Comprehensive Income for the period (IX + X) (Comprising Profit (Loss) and other comprehensive Income) |       | -156,849,452                         | 61,635,822                           |
| XII   | Earnings per Equity Share  | 21    |                                      |                                      |
|       | (i) Basic (in Rs.)   |       | -8.67                                | 2.76                                 |
|       | (ii) Diluted (In Rs.)  |       | -8.67                                | 2.76                                 |

Notes to the Financial Statement and the Significant Accounting Policies annexed form an integral part of the Balance Sheet.

As per our report of even date

**For P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**For S V Global Mill Limited**

**P. B. Srinivasan**  
Partner  
M. No. 203774

**M. Ethiraj**  
Chairman

**E. Shanmugam**  
Managing Director

Place: Chennai  
Date: 24.05.2019

**R. Sugumaran**  
Chief Financial Officer & Company Secretary



# S V GLOBAL MILL LIMITED - CHENNAI - CONSOLIDATED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

| Particulars   | For the Year Ended March 31, 2019 | For the Year Ended March 31, 2018 |
|---|-----------------------------------|-----------------------------------|
| <b>A. Cash Flow From Operating Activities</b>             |                                   |                                   |
| Net Profit Before Tax                                     | -133,733,669                      | 88,614,741                        |
| Adjustments for non-cash items:                           |                                   |                                   |
| Less:   |                                   |                                   |
| Profit on Disposal of Asset                               | -                                 | -                                 |
| Interest Income   | 30,741,841                        | 59,763,966                        |
|   | 30,741,841                        | 59,763,966                        |
|   | -164,475,510                      | 28,850,775                        |
| Add:  |                                   |                                   |
| Depreciation  | 3,079,099                         | 3,123,972                         |
| Provision for Doubtful Advances                           | 213,419,601                       | -                                 |
|   | 216,498,700                       | 3,123,972                         |
| Operating Profit before Working Capital Changes           | 52,023,190                        | 31,974,747                        |
| Adjustments for:  |                                   |                                   |
| Trade Receivables   | 625,000,000                       | -715,000,000                      |
| Loans & Advances  | -                                 | 40,000                            |
| Inventories & Other Current Assets                        | -1,616,178                        | -149,276,254                      |
| Trade Payables & Other Current Liabilities                | -733,245                          | -9,489                            |
| Cash Flow Generated from Operations                       | 622,650,577                       | -864,245,743                      |
| Direct Tax Paid   | 44,726,559                        | 26,099,164                        |
|   | 667,377,136                       | -838,146,579                      |
| Net Cash from Operating Activities                        | 719,400,326                       | -806,171,832                      |
| <b>B. Cash-flow from Investing Activities</b>             |                                   |                                   |
| Purchase of property, plant and equip & CWIP              | -3,926,216                        | -5,485,846                        |
| Sale of property, plant and equipment / Projects          |                                   |                                   |
| Increase in Deposits & Advances                           | -12,430                           |                                   |
| Sale / Purchase of Investments                            | -                                 | -                                 |
| Interest Received   | 30,741,841                        | 59,763,966                        |
| Net Cash used in Investing Activities                     | 26,803,195                        | 54,278,120                        |
| <b>C. Cash Flow from Financing Activities</b>             |                                   |                                   |
| Short Term Borrowings (Net)                               | -                                 |                                   |
| Long Term Borrowings (Net)                                | -                                 |                                   |
| Buy Back of Shares (adj against Face value)               | -21,182,200                       |                                   |
| Buy Back of Shares (against Retained Earnings)            | -978,817,800                      |                                   |
| Dividend Distribution Tax                                 | -661,759                          |                                   |
| Net Cash used/received in Financing Activities            | -1,000,661,759                    | -                                 |
| Net Increase, (Decrease) Cash and Cash Equivalents        | -254,458,238                      | -751,893,712                      |
| Cash and Cash Equivalents as at the beginning of the Year | 269,583,324                       | 1,021,477,036                     |
| Cash and Cash Equivalents as at the End of the Year       | 15,125,086                        | 269,583,324                       |
| Note (-) indicates Cash Outflow                           |                                   |                                   |
| Details of Cash and Cash Equivalents                      |                                   |                                   |
| Cash in Hand  | 87,551                            | 70,819                            |
| Cash at bank in current accounts                          | 5,037,535                         | 5,342,184                         |
| Cash at bank in deposit accounts                          | 10,000,000                        | 264,170,321                       |

Notes to the Financial Statement and the Significant Accounting Policies annexed form an integral part of the Balance Sheet.

As per our report of even date

**For P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**For S V Global Mill Limited**

**P. B. Srinivasan**  
Partner  
M. No. 203774

**M. Ethiraj**  
Chairman

**E. Shanmugam**  
Managing Director

Place: Chennai  
Date: 24.05.2019

**R. Sugumaran**  
Chief Financial Officer & Company Secretary

Notes to Financial Statements - Movement in Equity for the Year Ended March 31, 2019

A. Equity Share Capital

| Equity Share Capital | As at 01.04.2017 |                                      | Movement during the Year |                                      | As at 31.03.2018 |                                      |
|----------------------|------------------|--------------------------------------|--------------------------|--------------------------------------|------------------|--------------------------------------|
|                      | No of Shares     | Equity Share Capital par Value (Rs.) | No of Shares             | Equity Share Capital par Value (Rs.) | No of Shares     | Equity Share Capital par Value (Rs.) |
|                      | 22,319,410       | 111,597,050                          | -                        | -                                    | 22,319,410       | 111,597,050                          |
| Equity Share Capital | As at 01.04.2018 |                                      | Movement during the Year |                                      | As at 31.03.2019 |                                      |
|                      | No of Shares     | Equity Share Capital par Value (Rs.) | No of Shares             | Equity Share Capital par Value (Rs.) | No of Shares     | Equity Share Capital par Value (Rs.) |
|                      | 22,319,410       | 111,597,050                          | -4,236,440               | -21,182,200                          | 18,082,970       | 90,414,850                           |

## S V GLOBAL MILL LIMITED - CHENNAI - CONSOLIDATED

### B. Other Equity

| Particulars   | Retained Earning and Other Reserves |                            |                        |                      | Items of Other Comprehensive Income (OCI) | Total                |
|---|-------------------------------------|----------------------------|------------------------|----------------------|---|----------------------|
|   | Capital Reserve                     | Capital Redemption Reserve | NBFC Statutory Reserve | Retained Earnings    |   |                      |
| As at 01.04.2017                                      | 144,517,565                         | 119,708,580                | 67,473                 | 1,346,256,374        |   | 1,610,549,992        |
| Total Comprehensive Income for the Year               |                                     |                            |                        |                      |   | -                    |
| Profit or (Loss)                                      | -                                   | -                          |                        | 61,635,822           |   | 61,635,822           |
| Other Comprehensive Income                            | -                                   | -                          |                        |                      |   | -                    |
| <b>Total Comprehensive Income</b>                     | -                                   | -                          |                        |                      |   | -                    |
| Transactions with Owners, recorded directly in equity | -                                   | -                          |                        |                      |   | -                    |
| Dividend  | -                                   | -                          |                        |                      |   | -                    |
| Appropriations  | -                                   | -                          | 1,013,406              | -1,013,406           |   | -                    |
| Any other Changes (Remeasurement Loss)                | -                                   | -                          |                        |                      |   | -                    |
| Other Changes   | -                                   | -                          |                        |                      |   | -                    |
| <b>Balance as at 31st March 2018</b>                  | <b>144,517,565</b>                  | <b>119,708,580</b>         | <b>1,080,879</b>       | <b>1,406,878,790</b> |   | <b>1,672,185,814</b> |
| As at 01.04.2018                                      | 144,517,565                         | 119,708,580                | 1,080,879              | 1,406,878,790        |   | 1,672,185,814        |
| Total Comprehensive Income for the Year               |                                     |                            |                        |                      |   | -                    |
| Profit or Loss  | -                                   | -                          |                        | -156,849,452         |   | -156,849,452         |
| Other Comprehensive Income                            | -                                   | -                          |                        |                      |   | -                    |
| <b>Total Comprehensive Income</b>                     | -                                   | -                          |                        |                      |   | -                    |
| Transactions with Owners, recorded directly in equity | -                                   | -                          |                        | -978,817,800         |   | -978,817,800         |
| Dividend  | -                                   | -                          |                        | -                    |   | -                    |
| Appropriations  | -                                   | -                          | 6,225,157              | -6,225,157           |   | -                    |
| Any other Changes (Remeasurement Loss)                | -                                   | -                          |                        |                      |   | -                    |
| Other Changes   | -                                   | -                          |                        | -25                  |   | -25                  |
| <b>Balance as at 31st March 2019</b>                  | <b>144,517,565</b>                  | <b>119,708,580</b>         | <b>7,306,036</b>       | <b>264,986,356</b>   |   | <b>536,518,537</b>   |

Notes to the Financial Statement and the Significant Accounting Policies annexed form an integral part of the Balance Sheet.

As per our report of even date

For **P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

For **S V Global Mill Limited**

**P. B. Srinivasan**  
Partner  
M. No. 203774

**M. Ethiraj**  
Chairman

**E. Shanmugam**  
Managing Director

Place: Chennai  
Date: 24.05.2019

**R. Sugumaran**  
Chief Financial Officer & Company Secretary

Notes to Standalone Financial Statements - Assets

NON-CURRENT ASSETS

Property, Plant and Equipment

1. Tangible Assets

| Description       | Gross Cost        |                       |                                     | Depreciation      |                  |                                       | Net Value        |                   |                   |
|-------------------|-------------------|-----------------------|-------------------------------------|-------------------|------------------|---------------------------------------|------------------|-------------------|-------------------|
|                   | As at 01.04.2018  | Additions / Transfers | Disposals / Transfers / Adjustments | As at 31.03.2019  | As at 01.04.2018 | Withdrawals / Transfers / Adjustments | For the Year     | As at 31.03.2019  | As at 31.03.2018  |
| Land              | 24,978,583        | -                     | -                                   | 24,978,583        | -                | -                                     | -                | 24,978,583        | 24,978,583        |
| Building          | 58,892,470        | -                     | -                                   | 58,892,470        | 3,538,947        | -                                     | 2,767,676        | 52,585,847        | 55,353,523        |
| Office Equipments | 563,655           | 820,748               | -                                   | 1,384,403         | 100,280          | -                                     | 109,009          | 209,289           | 463,375           |
| Computers         | 245,340           | -                     | -                                   | 245,340           | 205,666          | -                                     | 15,868           | 221,534           | 39,674            |
| Furniture         | 688,710           | -                     | -                                   | 688,710           | 10,159           | -                                     | -                | 678,551           | 678,551           |
| Vehicles          | 29,819            | 730,517               | -                                   | 760,336           | -                | -                                     | 186,546          | 573,790           | 29,819            |
|                   | <b>85,398,577</b> | <b>1,551,265</b>      | <b>-</b>                            | <b>86,949,842</b> | <b>3,855,052</b> | <b>-</b>                              | <b>3,079,099</b> | <b>80,015,691</b> | <b>81,543,525</b> |

| Description       | Gross Cost        |                       |                                     | Depreciation      |                  |                                       | Net Value        |                  |                   |
|-------------------|-------------------|-----------------------|-------------------------------------|-------------------|------------------|---------------------------------------|------------------|------------------|-------------------|
|                   | As at 01.04.2017  | Additions / Transfers | Disposals / Transfers / Adjustments | As at 31.03.2018  | As at 01.04.2017 | Withdrawals / Transfers / Adjustments | For the Year     | As at 31.03.2018 | As at 31.03.2017  |
| Land              | 24,978,583        | -                     | -                                   | 24,978,583        | -                | -                                     | -                | 24,978,583       | 24,978,583        |
| Building          | 53,922,768        | 4,969,702             | -                                   | 58,892,470        | 627,765          | -                                     | 2,911,182        | 3,538,947        | 53,295,003        |
| Office Equipments | 226,293           | 337,362               | -                                   | 563,655           | 35,753           | -                                     | 64,527           | 100,280          | 190,540           |
| Computers         | 203,890           | 41,450                | -                                   | 245,340           | 67,562           | -                                     | 138,104          | 205,666          | 136,328           |
| Furniture         | 551,378           | 137,332               | -                                   | 688,710           | -                | -                                     | 10,159           | 678,551          | 551,378           |
| Vehicles          | 29,819            | -                     | -                                   | 29,819            | -                | -                                     | -                | 29,819           | 29,819            |
|                   | <b>79,912,731</b> | <b>5,485,846</b>      | <b>-</b>                            | <b>85,398,577</b> | <b>731,080</b>   | <b>-</b>                              | <b>3,123,972</b> | <b>3,855,052</b> | <b>79,181,651</b> |

## S V GLOBAL MILL LIMITED - CHENNAI - CONSOLIDATED

### Notes to Financial Statements

| Note No  | Particulars   | As at March 31, 2019 | As at March 31, 2018 |
|----------|---|----------------------|----------------------|
| <b>2</b> | <b>Capital Work in Progress</b>   |                      |                      |
|          |   | 2,374,951            | -                    |
|          |   | <b>2,374,951</b>     | -                    |
| <b>3</b> | <b>Financial Assets</b>   |                      |                      |
|          | Investments   |                      |                      |
|          | In equity shares partly paid up 810 shares (Previous Year 810) at Rs. 65 per share of Adyar Property Holding Co Pvt Ltd | 1,000                | 1,000                |
|          |   | <b>1,000</b>         | <b>1,000</b>         |
| <b>4</b> | <b>Other non-current Assets</b>   |                      |                      |
|          | <b>Unsecured Considered Good</b>  |                      |                      |
|          | Capital Advances  | 213,419,601          | 213,419,601          |
|          | Less: Provision for Doubtful Advances   | -213,419,601         |                      |
|          | Utility Deposits  | 232,333              | 219,903              |
|          | Rent Advance  | 1,353,600            | 1,353,600            |
|          |   | <b>1,585,933</b>     | <b>214,993,104</b>   |
| <b>5</b> | <b>Current Assets</b>   |                      |                      |
|          | <b>Inventories</b>  |                      |                      |
|          | Stock in Trade - Land and Building  | 91,313,239           | 91,313,239           |
|          |   | <b>91,313,239</b>    | <b>91,313,239</b>    |
| <b>6</b> | <b>Trade Receivables</b>  |                      |                      |
|          | Advance for Purchase of Property  | -                    | 160,000,000          |
|          | Receivable under Financing Activity   | 400,000,000          | 865,000,000          |
|          |   | <b>400,000,000</b>   | <b>1,025,000,000</b> |
| <b>7</b> | <b>Cash and Cash Equivalents</b>  |                      |                      |
|          | Balances with Scheduled Banks in Current A/c  | 5,037,535            | 5,342,184            |
|          | Cash on Hand  | 87,551               | 70,819               |
|          | Fixed Deposits  |                      |                      |
|          | Short Term Deposits   | 10,000,000           | 264,170,321          |
|          |   | <b>15,125,086</b>    | <b>269,583,324</b>   |
| <b>8</b> | <b>Other Financial Assets</b>   |                      |                      |
|          | Interest Accrued  | 4,279,973            | 93,575,999           |
|          |   | <b>4,279,973</b>     | <b>93,575,999</b>    |
| <b>9</b> | <b>Other Current Assets</b>   |                      |                      |
|          | Other Receivables   | 593,454              | 2,818,670            |
|          | Prepaid Expenses  | 184,515              | 176,719              |
|          | Advance Income Tax & TDS  | 81,584,159           | 52,519,360           |
|          | Wealth tax  | 20,000,000           | -                    |
|          |   | <b>102,362,128</b>   | <b>55,514,749</b>    |

**S V GLOBAL MILL LIMITED - CHENNAI - CONSOLIDATED**

|           |   |                                      |                                      |
|-----------|---|--------------------------------------|--------------------------------------|
| <b>10</b> | <b>Equity and Liabilities</b>   |                                      |                                      |
|           | <b>Equity Share Capital</b>   |                                      |                                      |
|           | Authorised, Issued, Subscribed and Paid-up Share Capital  |                                      |                                      |
|           | Authorised:   |                                      |                                      |
|           | 2,24,00,000 Equity Shares of Rs. 5/- each   | 112,000,000                          | 112,000,000                          |
|           | Issued:   |                                      |                                      |
|           | 18,082,970 Equity Shares (Previous Year 22,319,410) of Rs. 5/- each fully paid with voting rights | 90,414,850                           | 111,597,050                          |
|           |   | <b>90,414,850</b>                    | <b>111,597,050</b>                   |
| <b>11</b> | <b>Other Equity</b>   |                                      |                                      |
|           | a) retained Earnings  | 264,986,356                          | 1,406,878,790                        |
|           | b) Other Reserves   | 271,532,181                          | 265,307,024                          |
|           |   | <b>536,518,537</b>                   | <b>1,672,185,814</b>                 |
| <b>12</b> | <b>Deferred Tax Liabilities</b>   |                                      |                                      |
|           | Others  | 1,960,228                            | 1,649,255                            |
|           | <b>Deferred Tax Liabilities (Net)</b>   | <b>1,960,228</b>                     | <b>1,649,255</b>                     |
| <b>13</b> | <b>CURRENT LIABILITIES</b>  |                                      |                                      |
|           | <b>Other Current Liabilities</b>  |                                      |                                      |
|           | Other Current Liabilities   | 7,269,161                            | 8,002,406                            |
|           |   | <b>7,269,161</b>                     | <b>8,002,406</b>                     |
| <b>14</b> | <b>Provisions</b>   |                                      |                                      |
|           | Provision for Taxation  | 63,970,225                           | 41,165,415                           |
|           |   | <b>63,970,225</b>                    | <b>41,165,415</b>                    |
| <b>15</b> | <b>Revenue From Operations</b>  | <b>For the year ended 31-03-2019</b> | <b>For the year ended 31-03-2018</b> |
|           | Interest on Cancellation due to Delayed Delivery  | 1,196,712                            | 100,243,288                          |
|           | Income from rental of properties  | 8,923,808                            | 6,224,871                            |
|           | Income from Financing Activities  | 113,560,137                          | 11,104,108                           |
|           |   | <b>123,680,657</b>                   | <b>117,572,267</b>                   |
| <b>16</b> | <b>Other Income</b>   |                                      |                                      |
|           | Interest Receipts   | 30,741,841                           | 59,763,966                           |
|           | Agricultural Income   | 70,000                               | 100,000                              |
|           | Other Income  | -                                    | 5,907,109                            |
|           |   | <b>30,811,841</b>                    | <b>65,771,075</b>                    |
| <b>17</b> | <b>Expenses</b>   |                                      |                                      |
|           | <b>Employee Benefit Expenses</b>  |                                      |                                      |
|           | Salaries, Wages and Incentives to Employees   | 4,707,482                            | 5,143,993                            |
|           | Salary to Managing Director   | 500,000                              | 48,000                               |
|           | Welfare Expenses  | 2,256,030                            | 2,019,794                            |
|           |   | <b>7,463,512</b>                     | <b>7,211,787</b>                     |
| <b>18</b> | <b>Depreciation and Amortisation Expenses</b>   |                                      |                                      |
|           | Fixed Assets  | 3,079,099                            | 3,123,972                            |
|           |   | <b>3,079,099</b>                     | <b>3,123,972</b>                     |

**S V GLOBAL MILL LIMITED - CHENNAI - CONSOLIDATED**

|           |   |                    |                   |
|-----------|---|--------------------|-------------------|
| <b>19</b> | <b>Other Expenses</b>   |                    |                   |
|           | Power and Water   | 2,071,391          | 1,954,891         |
|           | Rent  | 2,030,400          | 2,106,540         |
|           | Rates, Taxes & Insurance  | 7,441,717          | 3,890,309         |
|           | Statutory Expenses  | 2,678,234          | 605,672           |
|           | Printing & Stationery   | 494,362            | 482,551           |
|           | Postage, Courier & Telephone Expenses   | 575,704            | 487,041           |
|           | Travelling & Conveyance Expenses  | 4,333,658          | 5,191,024         |
|           | Advertisement Expenses  | 63,717             | 478,991           |
|           | Payment to Auditors   |                    |                   |
|           | Statutory Audit Fees  | 362,100            | 269,250           |
|           | Tax Audit Fees  | 25,000             | -                 |
|           | Other Audit Matters   | 315,000            | -                 |
|           | Other Fees  | 30,000             | 30,000            |
|           | Professional Fees   | 25,725,394         | 31,081,240        |
|           | Repairs and Maintenance   | 6,557,259          | 9,232,416         |
|           | Security Charges  | 2,975,873          | 2,333,250         |
|           | Donation  | 1,106,620          | 50,000            |
|           | Garden Maintenance  | 1,596,006          | 891,460           |
|           | Sitting Fees to Directors   | 75,000             | 100,000           |
|           | CSR Expenses  | -                  | -                 |
|           | Miscellaneous Expenses  | 1,386,710          | 1,872,887         |
|           | Provision for Doubtful Advances   | 213,419,601        | -                 |
|           |   | <b>273,263,746</b> | <b>61,057,522</b> |
| <b>20</b> | <b>Exceptional Items</b>  |                    |                   |
|           | BLS Wage Settlement   | 4,419,810          | 23,335,320        |
|           |   | <b>4,419,810</b>   | <b>23,335,320</b> |
| <b>21</b> | <b>Earnings Per Share - Basic and Diluted</b>   |                    |                   |
|           | Profit after Tax  | -156,849,452       | 61,635,822        |
|           | Weighted Average Number of Shares as at 31.03.2019  | 18,082,970         | 22,319,410        |
|           | Face Value of Shares (Rs.)  | 5                  | 5                 |
|           | Earnings Per Share - Basic and Diluted (Rs.)  | -8.67              | 2.76              |
|           | The Company does not have any potentially dilutive shares, thus the basic and the diluted earnings per share is same. |                    |                   |

### 1. Principles of Consolidation

The Consolidated Financial Statements of the Group are prepared in accordance with Indian Accounting Standard ('Ind AS') 110 "Consolidated Financial Statements"

The Financial statements of the Company (SV Global) and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions and adopting uniform accounting policies. The Financial Statements of the jointly controlled entity are proportionately consolidated. The share of interest in each item of Balance Sheet and Statement of Profit and Loss is separately shown.

### 2. REPORTING ENTITY

S V Global Mill Limited (S V Global or the holding Company) is company registered under the erstwhile Companies Act, 1956 with its registered office at New No. 5/1, Old No. 3/1, 6th Cross Street, CIT Colony, Mylapore, Chennai – 600004 and is also listed with the Bombay Stock Exchange Limited. S V Global is engaged in the business of real estate.

S V Global Finance Private Limited (SVGFPL or the subsidiary Company) is company registered under the erstwhile Companies Act, 1956 with its registered office at New No. 5/1, Old No. 3/1, 6th Cross Street, CIT Colony, Mylapore, Chennai – 600004. The Company is registered with Reserve Bank of India as a 'Non-Banking Finance Company under the category Non Deposit Taking NBFC – Loan Company' and the Company follows the directions prescribed by the Reserve Bank of India for Non-Banking Financial Companies with respect to Income Recognition, Asset Classification, Provisioning norms.

The above entities are jointly referred as the Group for the purpose of reporting.

### 3. Basis of Consolidation

The Consolidated Financial Statement comprises the financial statements of the Company and its subsidiaries as at 31st March, 2019. Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statement from the date on which control commences until the date on which control ceases.

Non-controlling interest (NCI) are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

### 4. BASIS OF PREPARATION

#### a) Statement of Compliance

The Group adopted the Ind AS in preparation of the financial statements notified by the Ministry of Corporate Affairs vide Notification No. G.S.R. 111(E) dated 16th February 2015 as amended from time to time. Accordingly, the financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under section 133 of the Companies Act, 2013 (the "Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other accounting principles generally accepted in India.



**b) Functional Currency**

The management has determined the currency of the primary economic environment in which the Group operates i.e., functional currency, to be Indian Rupees (INR). The financial statements are presented in Indian Rupees ('INR') which is the Group's functional currency and presentational currency.

**c) Basis of Measurement**

The financial statements have been prepared on a historical cost basis, except otherwise stated.

**d) Use Of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in the future periods. Difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

**e) Significant Estimates and Judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

- Estimation of useful life of Property, Plant and Equipment and residual values
- Estimation and evaluation of provisions and contingencies

**5. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at 01st April 2016 for the purposes of the transition to Ind AS.

**5.1. Current and non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- There is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of financial liabilities some part of which may be non-current. All other liabilities are classified as non-current.

Deferred tax assets are classified as non-current assets.

### Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

## 5.2. Property, Plant and Equipment

### Recognition and Measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of taxes, duties, freight, installation allocated incidental expenditure during construction / acquisition, borrowing cost and necessary adjustments in the year of final settlement. The cost of Property, Plant and Equipment also includes the present value of obligations arising, if any, from decommissioning, restoration and similar liabilities related to the same. The present value of those costs (decommission and/or restoration costs) is capitalised as an asset and depreciated over the useful life of the asset.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Administration and general overhead expenses attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of related assets.

### Capital Work-in-Progress

Capital work-in-progress includes assets under construction and cost attributable to construction of

assets not ready for use before the year end.

### **Subsequent Expenditure**

Subsequent expenditure are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

### **Depreciation**

- I. Depreciation is provided on the cost of the property, plant and equipment less their estimated residual values over their estimated useful lives, and is recognized in the Statement of Profit and Loss. The Group depreciates property, plant and equipment as per guidance set out in Schedule II of the Companies Act, 2013 on written down value (WDV) method except in respect of the assets mentioned (ii) below
- II. Assets costing up to INR 5,000 are depreciated fully in the year of purchase.
- III. In the year of commissioning/retirement of assets, depreciation is calculated on pro-rata basis, for the period the asset is available for use.

### **Derecognition**

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the Statement of Profit and Loss.

### **5.3. Inventories**

Land held as Stock-in-Trade for Property Development is stated at lower of cost and net realizable value.

### **5.4. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial Asset**

##### **Initial Recognition and Measurement**

All financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

##### **Classification**

The Group classifies its financial assets in the following categories

- Financial Assets at amortised cost
- Financial Assets measured subsequently at fair value (either through other comprehensive income, or through profit or loss)

The classification depends upon the Group's business model for managing the financial assets and the contractual cash flows of the financial asset.

### Debt Instruments

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at Fair Value through Profit or Loss (FVTPL).

### Equity Instruments

The Group subsequently measures all investments in equity (except of the subsidiaries/associate) at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

### Subsequent Measurement

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss.

Financial assets at FVOCI or FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in OCI or the statement of profit and loss respectively. Dividends/Interest Income from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

### Impairment

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, is recognised as an impairment gain or loss in the statement of profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately. Where the Group elects to measure FVTPL, changes in the fair value of such financial assets are recognised in the statement of profit and loss.

### Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred

or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the statement of profit and loss.

### **Financial Liability**

#### **Recognition and initial measurement**

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

#### **Classification and subsequent measurement**

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in the statement of profit and loss.

#### **Derecognition**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Any gain or loss on derecognition is also recognised in the statement of profit and loss.

#### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

### **5.5. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### **5.6. Impairment of non-financial assets:**

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group estimates the asset's recoverable amount.

Impairment losses are provided for Cash Generating Units (CGU) and also for individual assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and is recognised in the Statement of Profit & Loss

On review of impairment loss at the end of each reporting period any decrease in or non-existence of impairment loss are recognised

### 5.7. **Prior period items, Accounting estimates and effect of change in Accounting Policy**

Prior period errors of material nature, are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

The effect of change in accounting estimate is recognised prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognised by adjusting the carrying amount of related assets/liability/equity in the period of change.

Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in the Ind AS. In other cases, the changes in accounting policy are recognised retrospectively, the application of such change is limited to the earliest period practicable.

### 5.8. **Events occurring after the balance sheet date**

Events occurring after the balance sheet date are those events that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors. Such events are disclosed or given effect to in the financial statements as provided for in Ind AS 10.

### 5.9. **Revenue**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from sale is recognized when significant risks and rewards of ownership are transferred to the customers. Revenue is measured at the fair value of the consideration received/receivable net of discounts

#### **Revenue from cancellation of contracts**

Revenue from cancellation of contracts in the usual course of real estate business is recognised when the compensation/interest/fee payable to the Group is determined and agreed between the parties.

#### **Revenue from Rentals**

Revenue includes revenue earned through rental of Group's properties invoiced for fixed monthly charges or time proportionate basis.

#### **Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### **Dividend**

Dividend income is recognized in the Profit and Loss account when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be reliably measured.

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### Others

Sale proceeds of scrap are taken into other non-operating income in the year of sale.

### 5.10. Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences in respect of long term foreign currency liabilities of the respective asset to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs (net of interest earned on temporary investments) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Interest is computed on weighted average cost of funds deployed.

All other borrowing costs are expensed in the year in which they occur

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### 5.11. Income Taxes

Income tax expense comprises current and deferred tax. It is recognized in profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### **Minimum Alternate Tax**

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability.

### **5.12. Earnings per Share**

The Group presents basic and diluted earnings/ (loss) per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

### **5.13. Provisions and Contingencies**

#### **Provisions**

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

#### **Contingent liabilities**

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

#### **Contingent Assets**

Contingent assets are neither recognized nor disclosed in the financial statements.



#### 5.14. Segment Reporting

Information reported to the Board of Directors who is chief operating decision maker (CODM) for the purposes of resources allocation and assessment of segment performance focuses on the types of services provided.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

#### 5.15. Leases

##### **Determination whether an arrangement contains a lease**

The determination of whether an arrangement is, or contains, a lease is based on the substance of an arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

##### **Where the Group is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, Plant and Equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

##### **Where the Group is the lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease income from operating leases where the Group 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.

## S V GLOBAL MILL LIMITED - CHENNAI - CONSOLIDATED

### 22. Related Party disclosures

#### (i). List of Related Parties

| Sl. No | Nature  | Name of the Party                    |
|--------|---|--------------------------------------|
| 1      | Key Management Personnel                              | 1) M. Ethiraj                        |
|        |   | 2) E. Shanmugam                      |
|        |   | 3) S. Valli                          |
|        |   | 4) P. S. Pandian (upto 31.03.2019)   |
|        |   | 5) Satyajit Prasad                   |
|        |   | 6) Dr. Sivaram Selvakumar            |
|        |   | 7) Balabaskar (w.e.f 06.02.2019)     |
| 2      | List of entities where KMP have significant influence | 1) Tiger Farms & Enterprises Pvt Ltd |
|        |   | 2) Srinidhi Finance Pvt Ltd          |
|        |   | 3) The Thirumagal Mills Ltd          |
|        |   | 4) Thirumagal Enterprises Ltd        |
|        |   | 5) Sriraj Mills Pvt Ltd              |
|        |   | 6) Artha Farms Ltd                   |
|        |   | 7) Artha Trading Pvt Ltd             |
|        |   | 8) SV Technology Solutions Pvt Ltd   |
|        |   | 9) Ethiraj Foundation                |

#### (ii). Remuneration to Key Managerial Personnel

| Sl. No | Name         | Designation             | Remuneration        |
|--------|--------------|-------------------------|---------------------|
| 1.     | M. Ethiraj   | Chairman                | Nil                 |
| 2.     | E. Shanmugam | Managing Director       | Rs.5,00,000 + Perks |
| 3.     | R. Sugumaran | Chief Financial Officer | Rs. 18,00,000       |
| 4.     | K. Murali    | Company Secretary       | Rs. 12,00,000       |

The Managing Director, Mr E. Shanmugam is eligible for a Remuneration subject to a ceiling of Rs. 5 lakhs per annum plus perquisites (perquisite includes a Rent-Free furnished Accommodation) and benefits as per the terms of appointment as resolved by the board in their meeting dated 03rd February 2017 and approved by the members of the M/s S V Global Mill Limited in its Annual General Meeting held on 13th December 2017.

#### Transactions with subsidiary during the year

(Rs. in lakh)

| Sl. No | Name                | Transaction during the year | Max Amt o/s during the year | O/s as on 31.03.2019 |
|--------|---------------------|-----------------------------|-----------------------------|----------------------|
| 1.     | Loan Given          | 4955.55                     | 8905.00                     | 2395.00              |
| 2.     | Equity Contribution | -                           | 1330.76                     | 1330.76              |
| 3.     | Interest on Loans   | 674.98                      | 75.63                       | 21.20                |

23. Financial Instruments – Fair Value Disclosure and Risk Management

A. Fair Value Disclosures

(i). As on 31.03.2019

| (Rs. in lakh)                   |                |       |       |          |
|---------------------------------|----------------|-------|-------|----------|
| Particulars                     | Amortised Cost | FVTPL | FVOCI | Net      |
| <b>A Financial Assets</b>       |                |       |       |          |
| Investments                     | -              | -     | -     | -        |
| Trade Receivables               | 4,000.00       | -     | -     | 4,000.00 |
| Cash & Cash Equivalents         | 151.25         | -     | -     | 151.25   |
| Other Financial Assets          | 42.79          | -     | -     | 42.79    |
| <b>B. Financial Liabilities</b> |                |       |       |          |
| Borrowings                      | -              | -     | -     | -        |
| Trade Payables                  | -              | -     | -     | -        |
| Other Financial Liabilities     | -              | -     | -     | -        |

(ii). As on 31.03.2018

| (Rs. in lakh)                   |                |       |       |         |
|---------------------------------|----------------|-------|-------|---------|
| Particulars                     | Amortised Cost | FVTPL | FVOCI | Net     |
| <b>A Financial Assets</b>       |                |       |       |         |
| Investments                     | -              | -     | -     | -       |
| Trade Receivables               | 1600.00        | -     | -     | 1600.00 |
| Cash & Cash Equivalents         | 2668.75        | -     | -     | 2668.75 |
| Other Financial Assets          | 919.31         | -     | -     | 919.31  |
| <b>B. Financial Liabilities</b> |                |       |       |         |
| Borrowings                      | -              | -     | -     | -       |
| Trade Payables                  | -              | -     | -     | -       |
| Other Financial Liabilities     | -              | -     | -     | -       |

B. Risk Management

(i). Credit Risk

Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

a) Cash and Cash Equivalents

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

### b) Trade Receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are generally unsecured and secured in respect of receivables under financing activity and are derived from revenue earned from customers primarily located in India. The Group does monitor the economic environment in which it operates. The Group manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the Group estimates amounts based on the business environment in which the Group operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivable more than 2 years past due. However the Group based upon historical experience determine an impairment allowance for loss on receivables.

### (ii). Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of Rs.151.25 lakh as at 31.03.2019 (Rs.2,695.83 lakh as on 31.03.2018), anticipated future internally generated funds from operations, enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Group believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Group's liquidity management process as monitored by management includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.

### (iii). Market Risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: Currency risk and Interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### a) Currency Risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is not exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows as there is no foreign currency exposure.

**b) Interest Rate Risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has not borrowed any funds from banks/financial institutions/other and thereby there is no foreseeable risk due to change in interest rates

**24. Capital Management**

For the purpose of the Group’s capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Group.

The Group’s objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided (total borrowings net of cash and cash equivalents) by Total Equity (equity attributable to owners of the parent plus interest-bearing debts).

| Particulars                    | As on 31.03.2019 | As on 31.03.2018 |
|--------------------------------|------------------|------------------|
| Borrowings                     | -                | -                |
| Less: Cash and Cash Equivalent |                  |                  |
| Total Equity                   | 6,269.33         | 17,837.82        |
| Net Debt Equity Ratio          | -                | -                |

Based on the current scenario considering the capital requirement for operation of the Group as decided by the management the Group has not borrowed any amounts from Banks/Financial Institutions/Others.

**25. Disclosure as per Ind AS 112 – Disclosure of Interest in Other Entities**

**Subsidiary Group**

| Name of the Entity                | Place of Business and Principal Activities        | Ownership Interest held by the Holding Group |            |
|-----------------------------------|---|--|------------|
|                                   |   | 31.03.2019                                   | 31.03.2018 |
| SV Global Finance Private Limited | India, Non-Deposit taking NBFC engaged in Lending | 99.99%                                       | 99.99%     |

| Name of the Entity                | Place of Business and Principal Activities        | Ownership Interest held by the Non Controlling Interest |            |
|-----------------------------------|---|---|------------|
|                                   |   | 31.03.2019  | 31.03.2018 |
| SV Global Finance Private Limited | India, Non-Deposit taking NBFC engaged in Lending | 0.01%   | 0.01%      |

26. Disclosure as per Ind AS 12 – Income Taxes

A. Amounts recognised in Statement of Profit & Loss Account

| Particulars                                     | FY 2018-19         | FY 2017-18         |
|---|--------------------|--------------------|
| Current Tax                                     |                    |                    |
| Current Tax on profits for the year             | 2,28,04,810        | 2,60,99,164        |
| Adjustment for earlier years                    | -                  | -                  |
| <b>Total Current Tax Expenses</b>               | <b>2,28,04,810</b> | <b>2,60,99,164</b> |
| Deferred Tax                                    |                    |                    |
| Increase/(Decrease) in Deferred Tax Liabilities | 3,10,973           | 8,79,755           |
| <b>Total Deferred Tax Expenses</b>              | <b>3,10,973</b>    | <b>7,69,500</b>    |

B. Amounts recognised in Other Comprehensive Income

| Particulars  | FY 2018-19 | FY 2017-18 |
|--|------------|------------|
| Income Tax   | -          | -          |
| Remeasurement of post employment benefit obligations   | -          | -          |
| <b>Income Tax charge to Other Comprehensive Income</b> | <b>-</b>   | <b>-</b>   |

C. Reconciliation of Effective Tax Rate

| Particulars   | FY 2018-19         | FY 2017-18         |
|---|--------------------|--------------------|
| Profit/(Loss) before Income Tax Expenses                                    | -13,37,33,669      | 8,86,14,741        |
| Income Tax on Profits at effective tax rate of -5.89% (FY 2017-18 - 31.77%) | 2,28,04,810        | 2,60,99,164        |
| <b>Tax Effect of Disallowable Expenses</b>                                  | <b>6,04,38,588</b> | <b>17,87,795</b>   |
| <b>Deferred Tax Liability</b>   | <b>3,10,973</b>    | <b>8,79,755</b>    |
| <b>Income Tax Expenses</b>  | <b>2,31,15,783</b> | <b>2,69,78,919</b> |

27. Order of Hon'ble Supreme Court of India

The Company Law Board (CLB) passed an order dated 10.3.2016 against which the Group filed an appeal before the Hon'ble High Court of Madras. The Hon'ble High Court vide its judgement dated 4.7.2017 set aside the order of the CLB to the extent, it directs purchase of equity stake by the Group. The Hon'ble High Court remanded the matter to NCLT to deal with objections raised on valuation of shares within 8 weeks from the date of the order. The Hon'ble High Court further directed that the Group shall not transfer and/or create a third party interest in its immovable assets till disposal of matter by NCLT. The NCLT has partially heard the matter. Against the order of the Hon'ble High Court of Madras, the Group filed a SLP before the Hon'ble Supreme Court of India.

The Honourable Supreme Court while disposing of the SLP filed by the Group, vide its order dated 10.05.2018 and 17.05.2018, directed that the Group to buy the shares of respondents 1 to 6 at the price of Rs.100 crore within a period of 9 months from the date of the order. On payment, the share capital of the Group shall stand reduced by virtue of the order. The Hon'ble court further held that the buyback of share will not trigger the SEBI Takeover Regulations. The observations of the High Court will not bind in any other proceedings between the parties.

In compliance with the order of the Hon'ble Supreme Court of India dated 25.02.2019, the company deposited an amount of Rs. 100 crore with the Court Registry on 06.03.2019. Thereafter, the Hon'ble Supreme Court vide its order dated 29.03.2019 directed the effecting of buyback and cancellation of shares.

Accordingly, the Group has given effect to the same in the books of accounts resulting in reduction in face value of share capital from Rs.11,15,97,050 to Rs.9,04,14,850. The balance of Rs. 97,88,17,800 after reduction of face value of shares has been adjusted against the free reserves resulting in reduction of free reserves from Rs.140,68,78,790 to Rs. 42,80,60,990. Upon transfer of the loss of the current financial year amounting to Rs. 15,68,49,452 the free reserves stands at Rs.26,49,86,356 after an appropriation entry of Rs.62,25,157.

**28. Capital Advance**

Pursuant to the scheme of demerger of erstwhile Binny Limited as approved by the Hon'ble High Court of Madras, the amounts payable by M/s Padmadevi Sugars Ltd to erstwhile Binny Limited amounting to Rs. 21.34 crore was allocated to S V Global Mill Limited as treated as recoverable from M/s Padmadevi Sugars Ltd.

M/s Padmadevi Sugars Ltd has been referred to the National Company Law Tribunal by its creditors. Considering the proceedings before the NCLT, the management by way of abundant caution provided for the entire amount recoverable from M/s Padmadevi Sugars Ltd.

**29. Exceptional Item**

The erstwhile Binny Limited could not operate the Bangalore Woolen, Cotton and Silk Mills, Bangalore and the factory declared a lock out during the period 26.12.1988 to 05.08.1989. Consequently, the dispute regarding wages during lock out period arose and Industrial Tribunal vide I.D. 9/1990 dated 03.11.1990 passed an award against Binny Ltd for payment of wages and other benefits for the lock out period.

Against the order of the Industrial Tribunal, a Writ Appeal was filed before the Hon'ble High Court of Karnataka, by erstwhile M/s Binny Ltd which was dismissed. Against the order of the Hon'ble High Court of Karnataka a Special Leave Petition was filed by erstwhile M/s Binny Ltd before the Hon'ble Supreme Court of India which was also dismissed. Thereafter, the matter was referred back to the Deputy Labour Commissioner (DLC), Division – I, Bangalore for determination settlement payable to the labourers. In the meanwhile, as per the Scheme of demerger approved by the Hon'ble High Court of Madras, M/s. SV Global Mill Ltd has taken over this dispute.

During the current financial year, the Deputy Labour Commissioner ordered to settle the amounts to the respective labourers covered by the order and accordingly the Group has paid an amount of Rs. 44,19,810 (previous year Rs.2,33,35,320) and the same has been treated as Exceptional Item in the Statement of Profit and Loss for the year ended 31st March 2019.

**30. Claims not acknowledged as debt**

During the financial year 2016-17, the Group has received legal notices from various statutory authorities pertaining to the affairs of Binny Limited. As the Group is not involved in the allegations/ disputes, the Group has challenged the issue of notices on M/s. SV Global Mill Limited.

**31. Disclosure in terms of Regulation 34(3) of LODR**

| Name of the Company   | Amount o/s as on 31.03.2019 | Amount o/s as on 31.03.2018 |
|---|-----------------------------|-----------------------------|
| SV Global Finance Private Limited<br>(1,30,00,000 equity shares of Rs. 10 each fully paid up)<br>(Previous year 1,30,00,000 shares) | Rs. 13,30,75,000            | Rs. 13,30,75,000            |

**32. Appeal for enhanced compensation on compulsory acquisition**

Lands to the extent of 3 acres and 16 guntas was acquired during the year 2013-14, by Government of Karnataka for public purpose for which the Group received compensation under the Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR 2013).

The award was accepted under protest with regard to the determination of market value, the manner and the method of computation of compensation and an application requesting enhancement of compensation was filed.

Upon hearing the protest application, the II-Additional City Civil and Session Judge vide his order dated 29.10.2018 enhanced the compensation from Rs. 4,620 per Sq ft to Rs. 8,624 per Sq ft along with relevant additional compensation and interest. The company has approached the Government of Karnataka for the implementation of the Hon'ble Court Order.

In the meanwhile, against order enhancing the compensation for compulsory acquisition, the Government of Karnataka has filed an appeal before the Hon'ble High Court of Karnataka. Pending the determination of the compensation and the appeal before the Hon'ble High Court of Karnataka, the enhanced compensation is not recorded in the books of account.

**33. Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006**

The Group has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures if any relating to amounts unpaid as at the yearend together with interest paid / payable as required under the said Act have not been made.

34. Figures in the financial statements and in the Notes have been rounded off to the nearest rupee.

**35. Statement pursuant to Sec. 129, Companies Act 2013 read with Schedule III**

Additional information on net assets and share of profits and other comprehensive income as at 31st March 2019

| Name of the entity            | Net Assets (Total Assets – Total Liabilities) |                   | Share of Profit (or) loss          |                  |
|-------------------------------|---|-------------------|------------------------------------|------------------|
|                               | As % of Consolidated Net Assets               | Amount (in crore) | As % of Consolidated Profit/(Loss) | Amount (in lakh) |
| <b>Parent Company</b>         |   |                   |                                    |                  |
| SV Global Mill Ltd            | 52.49   | 37.87             | (119.84%)                          | (1879.74)        |
| <b>Subsidiary</b>             |   |                   |                                    |                  |
| SV Global Finance Private Ltd | 47.51   | 16.31             | 19.84%                             | 311.25           |
| <b>Total</b>                  | <b>100.00</b>                                 | <b>54.18</b>      | <b>100</b>                         | <b>(1568.49)</b> |



## S V GLOBAL MILL LIMITED - CHENNAI - CONSOLIDATED

### 36. Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/ Joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of  
Companies (accounts) Rules 2014)

#### PART – A – SUBSIDIARIES

| Particulars   | Remarks                           |
|---|-----------------------------------|
| Name of the Subsidiary  | SV Global Finance Private Limited |
| The date since when subsidiary was acquired   | 14.09.2016                        |
| Reporting period for the subsidiary concerned if different from the holding company's reporting period                      | NA                                |
| Reporting currency and exchange and rate as on the last date of the relevant financial year in case of foreign subsidiaries | NA                                |
| Share Capital   | 13,00,00,000                      |
| Reserve and Surplus   | 3,30,69,897                       |
| Total Assets  | 41,75,95,789                      |
| Total Liabilities   | 41,75,95,789                      |
| Investments   | Nil                               |
| Turnover  | 11,37,47,115                      |
| Profit before taxation  | 4,43,28,515                       |
| Provision for taxation  | 1,25,41,000                       |
| Profit after taxation   | 3,17,87,518                       |
| Proposed dividend   | 52,00,000                         |
| Percentage of shareholding  | 100%                              |

As per our report of even date

**For P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 004721S

**P. B. Srinivasan**  
Partner  
M. No. 203774

Place: Chennai  
Date: 24.05.2019

**For S V Global Mill Limited**

**M. Ethiraj**  
Chairman

**E. Shanmugam**  
Managing Director

**R. Sugumaran**  
Chief Financial Officer & Company Secretary

**8 YEARS FINANCIAL TRACK RECORD**  
**YEAR ENDED 31st MARCH**

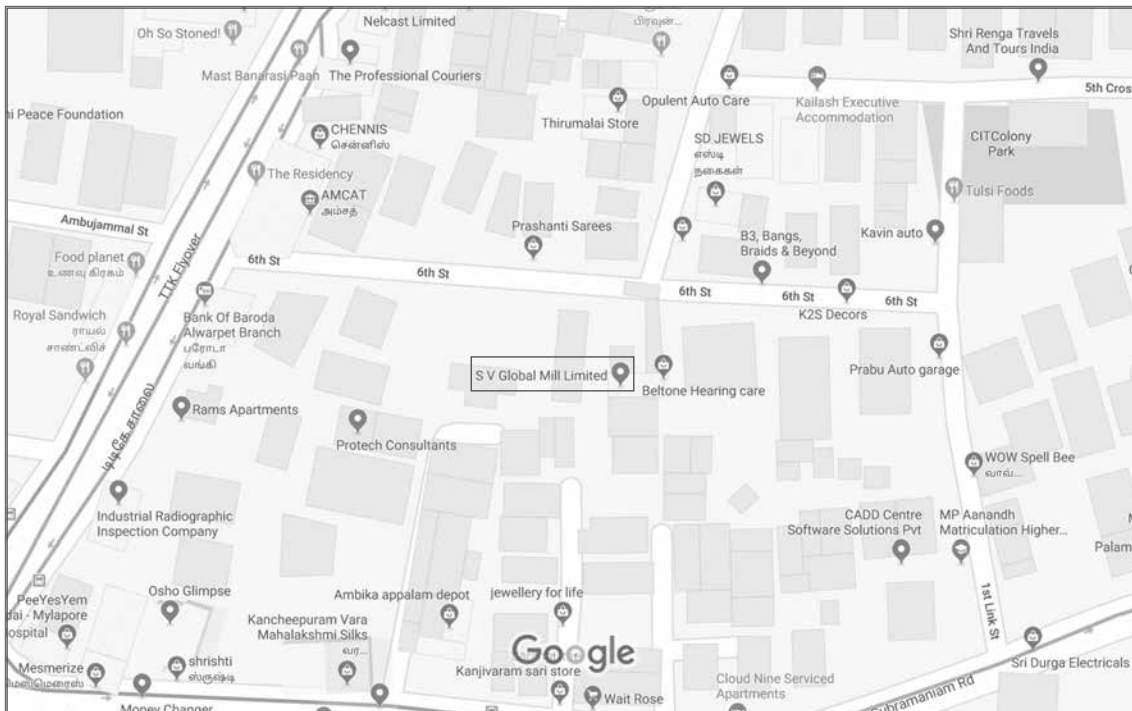
(Rs. In lakhs)

| OPERATING RESULTS                               | 2012            | 2013            | 2014            | 2015             | 2016             | 2017             | 2018             | 2019            |
|---|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|-----------------|
| Operating Income                                | -               | -               | -               | -                | -                | -                | 1,064.68         | 101.21          |
| Other Income                                    | 4.36            | 2.53            | 11.28           | 333.33           | 793.38           | 660.09           | 700.46           | 1,013.73        |
| Exceptional items                               | -               | -               | -               | 14,255.61        | 1,103.88         | -                | 233.35           | 44.20           |
| Profit/(loss) before taxation                   | -23.99          | -34.14          | -86.10          | 14,361.29        | 1,515.52         | 217.31           | 832.39           | -1,741.50       |
| Provision for Taxation                          | -               | -               | -               | 14,336.96        | 87.04            | 71.17            | 266.70           | 105.75          |
| Profit/(loss) after taxation                    | -23.99          | -34.14          | -86.10          | 14,321.65        | 1,428.48         | 146.14           | 565.69           | -1,847.25       |
| Balance of Profit brought forward               | -25.55          | -49.54          | -83.68          | -169.78          | 13,277.13        | 13,317.84        | 13,461.97        | 14,027.66       |
| Profit available for appropriation              | -49.54          | -83.68          | -169.78         | 14,151.87        | 14,705.61        | 13,463.98        | 14,027.66        | 12,180.41       |
| Appropriation                                   |                 |                 |                 |                  |                  |                  |                  | 9,788.18        |
| Capital Redemption Reserve                      | -               | -               | -               | -                | 1,195.12         | 1.96             | -                |                 |
| Preference Dividend & Dist Tax                  | -               | -               | -               | -                | 192.65           | 0.05             | -                |                 |
| <b>Balance Carried forward to Balance sheet</b> | <b>-49.54</b>   | <b>-83.68</b>   | <b>-169.78</b>  | <b>14,151.87</b> | <b>13,317.84</b> | <b>13,461.97</b> | <b>14,027.66</b> | <b>2,392.23</b> |
| <b>SOURCE OF FUNDS</b>                          |                 |                 |                 |                  |                  |                  |                  |                 |
| Paid up Share Capital                           | 2,313.05        | 2,313.05        | 2,313.05        | 2,313.06         | 1,117.93         | 1,115.97         | 1,115.97         | 904.15          |
| Reserves  | 1,395.64        | 1,361.49        | 1,275.39        | 14,722.31        | 15,958.14        | 16,104.22        | 16,669.92        | 5,034.49        |
| Loan Funds                                      | -               | -               | 42.62           | 59.11            | 8.02             | -                | -                |                 |
| <b>TOTAL</b>                                    | <b>3,708.69</b> | <b>3,674.54</b> | <b>3,631.06</b> | <b>17,094.48</b> | <b>17,084.10</b> | <b>17,220.19</b> | <b>17,785.89</b> | <b>5,938.64</b> |
| <b>APPLICATION OF FUNDS</b>                     |                 |                 |                 |                  |                  |                  |                  |                 |
| Fixed Assets                                    | 314.90          | 308.23          | 303.37          | 411.29           | 720.70           | 791.82           | 815.44           | 823.91          |
| Investments                                     | 0.01            | 0.01            | 0.01            | 0.01             | 0.01             | 235.76           | 1,330.76         | 1,330.76        |
| Long Term Loans and Advances                    | 2,500.82        | 2,500.96        | 2,184.20        | 5,484.20         | 5,747.73         | 5,248.13         | 2,147.73         | 15.86           |
| Net Currents Assets                             | 892.96          | 865.34          | 1,143.48        | 11,198.98        | 10,615.66        | 10,944.48        | 13,491.96        | 3,768.11        |
| <b>TOTAL</b>                                    | <b>3,708.69</b> | <b>3,674.54</b> | <b>3,631.06</b> | <b>17,094.48</b> | <b>17,084.10</b> | <b>17,220.19</b> | <b>17,785.89</b> | <b>5,938.64</b> |

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**Route Map for AGM Venue**  
**S V GLOBAL MILL LIMITED**

New No.5/1, (Old No.3/1),  
6th Cross Street, CIT Colony,  
Mylapore, Chennai - 600 004.  
Phone: 044 24997751



**S V GLOBAL MILL LIMITED**

**ATTENDANCE SLIP**

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall.

I hereby record my presence at the 12th ANNUAL GENERAL MEETING of the Company at the Registered Office of the Company on 26th September 2019 at 10.30 a.m. at New No.5/1, (Old No.3/1), 6th Cross Street, CIT Colony, Mylapore, Chennai - 600 004

\_\_\_\_\_ Folio No: \_\_\_\_\_ Signature \_\_\_\_\_  
 Full name of the Shareholder  
 (In block capitals)

\_\_\_\_\_ Folio No: \_\_\_\_\_ Signature \_\_\_\_\_  
 Full name of Proxy  
 (In block capitals)

**Form No. MGT-11**

**PROXY FORM**

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

|                     |   |  |
|---------------------|---|--|
| CIN                 | : | L17100TN2007PLC065226  |
| Name of the company | : | S V GLOBAL MILL LIMITED  |
| Registered office   | : | New No.5/1, (Old No.3/1), 6th Cross Street, CIT Colony, Mylapore, Chennai - 600 004. |

|                         |
|-------------------------|
| Name of the Member(s) : |
| Registered address :    |
| Folio No :              |
| E-mail Id:              |

I/We, being the Member(s) of \_\_\_\_\_ having \_\_\_\_\_ shares of Rs.5/- each of S V GLOBAL MILL LIMITED, hereby appoint  
 Name: \_\_\_\_\_ Email Id: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_

Or failing him  
 Name: \_\_\_\_\_ Email Id: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_

Or failing him  
 Name: \_\_\_\_\_ Email Id: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Signature: \_\_\_\_\_

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12th Annual General Meeting of the Company to be held on th 26th day of September 2019 at 10.30 A.M. at the Registered Office and at any adjournment thereof in respect of such resolutions as are indicated below.

| Resolution Number        | Resolutions  | Vote (Optional - See Note 3)<br>(Please mention No. of Shares) |         |         |
|--------------------------|--|--|---------|---------|
|                          |  | For  | Against | Abstain |
| <b>Ordinary Business</b> |  |  |         |         |
| 1                        | Adoption of Audited financial Staments   |  |         |         |
| 2                        | Re-appointment of a Director liable to retire by rotaton   |  |         |         |
| 3                        | Re-appointment of Statutory Auditors   |  |         |         |
| <b>Special Business</b>  |  |  |         |         |
| 4                        | Re-appointment of Sri Y. Satyajit Prasad (DIN 01011076) as an Independent Director for a seoncd term   |  |         |         |
| 5                        | To consider and approve increase in Managerial Remuneration of the Managing Director as recommended by Nomination and Remuneration Committee |  |         |         |

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

Signature of Member(s): \_\_\_\_\_

Signature of the Proxy Holder(s): \_\_\_\_\_

Affix  
 Re. 1/-  
 Revenue  
 Stamp

**Notes :**

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Meeting.
2. For the Resolutions & Notes, please refer to the Notice of the 12th Annual General Meeting.
3. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.

**Please Note : No gift will be distributed**



**BY BOOK-POST / COURIER**

To

If Undelivered please return to:

**S V GLOBAL MILL LIMITED**

(Secretarial Dept.)

New No.5/1, (Old No.3/1), 6th Cross Street,  
CIT Colony, Mylapore, Chennai - 600 004.

Phone: 044 24997751