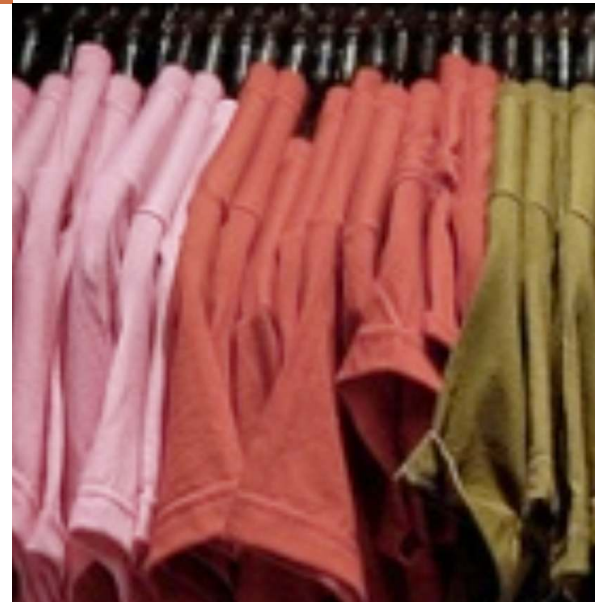




30th
Annual
Report
2011



SHIVA TEXYARN LIMITED



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IMPORTANT COMMUNICATION

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued a circular clarifying that the companies would be in compliance of Section 219(1) of Companies Act 1956 in case copy of notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc is sent by electronic mail to its members. Hence, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the depository through their Depository Participants to enable the company to send the notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc. through e-mail. Members who hold shares in physical form are requested to register their e-mail address with the Registrar and Share Transfer Agent viz. SKDC CONSULTANTS LIMITED, COIMBTORE.

BOARD OF DIRECTORS

Dr S V Balasubramaniam	Chairman
Sri S V Alagappan	Managing Director
Sri S V Arumugam	
Sri S K Sundararaman	
Sri V Venkata Reddy	
Sri K N V Ramani	
Sri C S K Prabhu	
Sri S Palaniswami	
Dr K R Thillainathan	
Sri S Marusamy	

COMPANY SECRETARY

Mrs M Shyamala

AUDITORS

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

INTERNAL AUDITORS

M/s Srivatsan & Gita
Chartered Accountants
Coimbatore - 641 018

REGISTERED OFFICE

252, Mettupalayam Road
Coimbatore - 641 043. Tamilnadu
Phone : 91-422-2435555
Fax : 91-422-2434446
E-mail : shares@shivatex.co.in

BANKERS

Canara Bank
Indian Overseas Bank
ICICI Bank Ltd
UCO Bank
State Bank of Hyderabad
Bank of Maharashtra
Bank of Baroda
Allahabad Bank

SHARE TRANSFER AGENT

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



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 30th Annual General Meeting of the Members of the Company will be held at Nani Kalaiarangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 641 037 on the 29th day of September 2011 at 9.15 AM to transact the business set out in the agenda given below:

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

AGENDA

ORDINARY BUSINESSES

1. To receive and adopt the Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors' and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in the place of Sri V Venkata Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri K N V Ramani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Dr K R Thillainathan, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 23.09.2011 to 29.09.2011 (both days inclusive).
4. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 29.09.2011. In respect of dematerialized shares, dividend will be paid on the basis of the beneficial ownership furnished by the National Security Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 22.09.2011.
5. The Company has transferred unclaimed dividends upto the financial year ended 31.03.2003 to General Revenue Account/ Investor Education and Protection Fund of the Central Government. The dividend declared for the financial year ended 31.03.2004 and for subsequent years remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund established under Section 205C of the Companies Act, 1956 on the respective due dates; upon such transfer, no claim shall lie against the company or the Central Government for such unclaimed dividend.
6. Members are requested to bring their copy of the Annual Report along with them to the meeting.

Coimbatore
13th August, 2011

By Order of the Board
S V BALASUBRAMANIAM
CHAIRMAN

ANNEXURE

RE-APPOINTMENT OF DIRECTORS

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

I.	1	Name	:	Sri V Venkata Reddy
	2	Age	:	72 Years
	3	Qualification	:	M B A
	4	Date of Appointment	:	28.03.2001
	5	Experience	:	He has more than 43 years of experience in Industry/Business
	6	Other Directorships	:	Bannari Amman Spinning Mills Limited Bannari Amman Sugars Limited Sri Kollapuramma Enterprises Private Limited Sri Kollapuramma Agro Industries Private Limited
	7	Member of Committee	:	Remuneration Committee - Chairman Shareholders Committee - Chairman
	8	Member of Committees in other Public Limited Companies	:	Bannari Amman Spinning Mills Limited: Remuneration Committee - Member Bannari Amman Sugars Limited: Audit Committee - Chairman Remuneration Committee - Chairman Shareholders Committee - Member
	9	Number of Shares held in the Company	:	NIL
II.	1	Name	:	Sri K N V Ramani
	2	Age	:	79 years
	3	Qualification	:	M.A.. B.L.,
	4	Date of Appointment	:	26.05.2008
	5	Experience	:	He is a Corporate Lawyer with more than 47 years of active practice specializing in legislations like Companies Act, Taxation and Labour Laws. He is the Legal Advisor for many Financial Institutions etc., He is presently the senior partner of the law firm M/s Ramani & Sankar, Advocates, Coimbatore.
	6	Other Directorships	:	Bannari Amman Spinning Mills Limited Sri Kannapiran Mills Limited Sri Chamundeswari Sugars Limited K G Denim Limited LGB Forge Limited KPR Mill Limited



	7	Member of Committee	:	Audit Committee - Chairman
	8	Member of Committees in other Public Limited Companies	:	Bannari Amman Spinning Mills Limited: Audit Committee - Member Remuneration Committee - Chairman Sri Kannapiran Mills Limited: Audit Committee - Chairman Remuneration Committee - Chairman LGB Forge Limited: Remuneration Committee - Chairman
	9	Number of Shares held in the Company	:	Nil
III.	1	Name	:	Dr K R Thillainathan
	2	Age	:	57 Years
	3	Qualification	:	MBBS
	4	Date of Appointment	:	28.12.2005
	5	Experience	:	He has more than 33 years of experience in Medical Profession
	6	Other Directorships	:	Nil
	7	Member of Committee	:	Remuneration Committee - Member
	8	Member of Committee in other Public Limited Companies	:	Nil
	9	Number of Shares held in the Company	:	300

Coimbatore
13th August, 2011

By Order of the Board
S V BALASUBRAMANIAM
CHAIRMAN

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirtieth Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

	Rs. in lakhs	
	Financial Year	
	2010-2011	2009-2010
Profit before Depreciation	5575.98	2198.64
Less: Depreciation	1765.98	1350.33
Profit before prior year/extraneous items	3810.00	848.31
Add/(less): Net adjustment for excess provision withdrawn, Prior year expenses etc.,	(8.74)	(20.00)
Profit before Tax	3801.26	828.31
Less: Provision for Tax		
- Income Tax		
- Current year	726.44	142.32
- Prior year	85.81	50.51
- Wealth Tax		
- Current year	0.00	0.25
- Prior year	2.22	0.36
- Deferred Tax		
- Current year	1046.01	256.48
- MAT Credit Entitlement		
- Current year	(719.70)	(140.08)
Profit after Tax	2660.48	518.47
Add: Surplus brought forward from last year	43.90	27.36
Amount available for appropriation	2704.38	545.83
Appropriations:		
Provision for Equity Dividend	324.07	216.05
Provision for Tax on Dividend	52.57	35.88
Transfer to General Reserve	2000.00	250.00
Surplus carried over to Balance Sheet	327.74	43.90
Total	2704.38	545.83

DIVIDEND

Your Directors are glad to recommend payment of Dividend at the higher rate of Rs. 1.50 per share (i.e) 15% (Last year 10%). The Dividend on Equity Shares together with Distribution Tax on Corporate Dividend will absorb Rs.376.64 Lakhs (Rs.251.93 lakhs). The Dividend will be free from Income Tax in the hands of Shareholders.



REVIEW OF OPERATIONS

Your Directors report that the Company's performance in terms of production and sales of Cotton Yarn and Fabric has improved considerably during the year under review. In view of very good demand for Yarn both in domestic and export market and consequent improved realization for sale of the products, the net Profit has improved substantially for the year.

Division wise review of performance of the Company is furnished below:

Textile Division

The textile mills produced 19066.18 tonnes (12574.49 tonnes) of yarn and sold 18516.40 tonnes (12665.36 tonnes) of yarn. The sales include 4031.09 tonnes (2063.83 tonnes) amounting to Rs.8111.76 lakhs (Rs.2707.71 lakhs) by way of export of Yarn including Merchant Export. During the year, the Company has exported Waste Cotton also to an extent of 1088.81 tonnes (822.38 tonnes) amounting to Rs.487.70 lakhs (Rs.444.58 lakhs). The total sales of the Spinning division aggregated to Rs.37729.60 lakhs (Rs.17935.41 lakhs) of which export sales including waste cotton export amounted to Rs. 8599.46 lakhs (Rs. 3152.29 lakhs) constituting 22.84% (17.58%) of the total revenue.

The profits of the Textile units increased significantly on account of improved capacity utilization, savings in power cost due to installation of new Windmills with an aggregate capacity of 5.75 MW, improved off take of Yarn both in domestic and export markets, better sales realization etc. Though there has been an increase in Interest and other operating costs, the same has been offset by the positive factors mentioned above. The problem of frequent power cuts imposed by TNEB still persists. However this has been mitigated by your Company to some extent by way of purchase of power from third party sources at competitive rates.

The knitting division with installed capacity of 41 knitting machines produced 2101.31 tonnes of fabric (1668.42 tonnes) and sold 2054.87 tonnes (1667.78 tonnes) including 269.36 tonnes (71.22 tonnes) by way of export. The garment division produced 423603 pieces (279044 pieces) of Garments and contributed revenue of Rs.1571.41 Lakhs (Rs.459.61 Lakhs) under the Brand Name of "YESWE CREATIONS".

Wind Mills Performance

The Wind Mills, with an installed capacity of 22.545 MW, produced 323.35 lakh units of Wind Electricity as against 246.18 lakh units (16.795 MW) in the last year. During the course of the year windmills with an aggregate capacity of 5.75 MW have been installed for meeting captive use requirement which will result in reduction in power cost. Only 2 Windmills with a capacity of 0.45 MW is under sale to Tamilnadu Electricity Board category in respect of which Power sold to TNEB during the year is 7.86 lakh units (110.25 lakh units).

PROSPECTS FOR THE CURRENT YEAR 2011 - 2012

Textile Division

The Spinning units with an aggregate capacity of 89472 spindles have reached optimum production level. The scope for increasing capacity utilization in Knitting division which in turn will increase production of knitted fabric is dependent on favourable market conditions. The Garmenting division has also stabilized the operations and the volume of business is likely to increase during the current year.

In order to control the spiraling Cotton & Yarn prices, the Government has brought in quota restrictions on exports

by restricting cotton exports to 55 lakh bales and Yarn exports to 720 million kgs for the year 2010-11. During the current year also, the Yarn exports are regulated through licenses issued by Director General of Foreign Trade. However due to shortage of cotton supply in the world market, cotton prices sky rocketed since August 2010. In October 2010 when the new cotton season began, the prices of Shankar-6 variety of cotton ruled at Rs.37,000/- per candy which increased to Rs.62,000/- per candy in March'2011. Though the prices have come down to about Rs.46,000/- per candy now, there has been a lot of uncertainty about the future prospects. The closure of dyeing units in Tiruppur District in Tamilnadu for non compliance of pollution control norms may also have a bearing on the prospects for the Industry.

JOINT VENTURE

During the year, the Company totally exited from the Joint Venture Company viz., Bannari Amman Apparel Private Limited by liquidating its investments in the Company.

PUBLIC DEPOSITS

As at the close of the year, there were 68 public deposits involving an amount of Rs.15.28 lakhs remained unclaimed pending receipt of instructions from the deposit holders. Subsequently 3 deposits involving an amount of Rs.1.16 lakhs have been repaid or renewed as per claims received from the deposit holders. As on date 65 deposits involving an amount of Rs.14.12 lakhs still remain unclaimed for which regular follow up is being made to obtain instructions from the deposit holders for repayment.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 the following Directors retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment :

- (i) Sri V Venkata Reddy
- (ii) Sri K N V Ramani
- (iii) Dr K R Thillainathan

The Directors recommend their re-appointment.

PARTICULARS OF EMPLOYEES

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

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

The particulars required to be included in terms of Section 217(1) (e) of the Companies Act, 1956 with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo is furnished in Annexure-II and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217 (2AA) of the Companies Act, 1956 your Directors confirm that:



- (i) Your Directors have followed the applicable Accounting Standards in the preparation of Annual Accounts;
- (ii) Your Directors have selected such accounting policies and applied them consistently and made judgments' and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2010 -2011 and of the Profit of the Company for that period;
- (iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) Your Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

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

AUDITORS

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

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to the Bankers who have granted financial assistance to the Company by way of Term Loans, Working Capital Loan and Cash Credits and for their continued support. Your Directors also thank the customers and depositors of the Company for their support and confidence reposed in the Company and to the employees at all levels for their co-operation and dedication.

Coimbatore
19th May, 2011

By Order of the Board
S V BALASUBRAMANIAM
CHAIRMAN

Annexure to Directors' Report

Annexure - I

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

Name	Designation	Remuneration Received (Rs. in Lakhs)	Qualification	Age in Years as on 31.03.11	Experience in years	Date of commencement of employment	Particulars of last employment
Sri S V Alagappan	Managing Director	140.47	B.Com., B.L	70	31	27.06.2005	Managing Director in Bannari Amman Spinning Mills Ltd

Note :

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

Coimbatore
19th May, 2011

By Order of the Board
S V BALASUBRAMANIAM
CHAIRMAN

Annexure - II

Information Pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A) CONSERVATION OF ENERGY

(a) Energy Conservation Measures taken -

During the year energy saving measures were taken in Autoconer, Simplex, Blowroom and Spinning Departments and other sections viz., Lighting, Compressor etc.,

(b) Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy.

Efforts are being taken on a continuous basis to reduce energy consumption in various departments of the Factory.

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

The energy saving measures carried out during the year has resulted in savings in consumption of electricity to the extent of 10.58 lakh units.

**B) Form A-Particulars with respect of energy conservation****I. POWER AND FUEL CONSUMPTIONS**

	Current Year	Previous Year
1 Electricity:-		
(a) Purchased:-		
Units(in Lakhs)	145.21	133.63
Amount spent (Rs. in Lakhs)	779.32	1042.48
Rate per unit (Rs)	5.37	7.80
b) Own Generation:-		
i) Through Diesel Generator:-		
Total Units produced (in Lakhs)	62.59	44.38
Units produced per litre of diesel (Units)	3.28	4.15
Amount spent (Rs. in Lakhs)	631.97	443.08
Cost per unit (Rs)	10.10	9.98
ii) Through steam turbine/generator	Nil	Nil
iii) Through Wind Turbine Generator:-		
Total Units produced (in Lakhs)	371.68	242.14
Cost of generation (Rs. in Lakhs)	1131.20	450.36
Cost per unit (Rs)	3.04	1.86
iv) Through Furnace Oil Generator:-		
Total Units produced (in Lakhs)	0.90	11.55
Cost of generation (Rs. in Lakhs)	10.24	117.40
Cost per unit (Rs)	11.38	10.16
2 Coal	Nil	Nil
3 Furnace oil	Nil	Nil
4 Others /Internal Generation	Nil	Nil
	Current Year	Previous Year

II. CONSUMPTION PER UNIT OF PRODUCTION

Product: COTTON YARN

Production in MT	19066.17	12574.49
Production in MT converted into 40s count	10026.52	7555.25
Electricity consumed in units (in Lakhs)	579.49	431.70
Electricity consumed per Kg of yarn (Units)	5.78	5.71

C) TECHNOLOGY ABSORPTION

Form B-Particulars with respect to absorption of Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company	Nil
2. Benefits derived as a result of above R&D	Nil
3. Future Plan of Action	Nil
4. Expenditure on R&D	Nil
5. Technology absorption, adaptation and innovation	
(i) Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
(ii) Benefits derived as a result of above effects	Nil
(iii) Imported Technology	Nil

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
i) Total Foreign Exchange used (CIF Value)	967.84	2177.38
ii) Total Foreign Exchange earned (FOB Value)	8479.96	3367.74

Coimbatore
19th May, 2011

By Order of the Board
S V BALASUBRAMANIAM
CHAIRMAN



REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of high levels of transparency, accountability, fairness and equity in all facets of business practices, procedures and reporting systems.

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

BOARD OF DIRECTORS

The Board comprises of 10 Directors viz., 1 Non Executive Chairman, 1 Executive Director and 8 Non Executive Directors. 6 Directors are independent Directors and have no business relationship with the Company.

During the financial year, 6 Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 27.05.2010, 09.08.2010, 11.11.2010, 10.02.2011, 07.03.2011 and 16.03.2011 at 1212, Trichy Road, Coimbatore - 641 018.

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

Details of attendance of each Director at the Board Meetings and at the last Annual General Meeting held on 20.09.2010:

Sl. No.	Name of the Director	Category	Number of Directorships held in other Companies*	Number of Board Committee Membership held in other Companies**		No of Board Meetings Attended	Last AGM Attended Yes/No
				Chairman	Member		
1	Dr S V Balasubramaniam	Non-Executive	12	-	-	6	Yes
2	Sri S V Alagappan	Executive	4	-	-	6	Yes
3	Sri S V Arumugam	Non-Executive	7	1	1	6	Yes
4	Sri S V Balakrishnan#	-	-	-	-	3	Yes
5	Sri S K Sundararaman	Non-Executive	2	-	1	6	Yes
6	Sri A Senthil§	-	-	-	-	3	Yes
7	Sri V Venkata Reddy	Non-Executive	2	1	1	4	Yes
8	Sri K N V Ramani	Non-Executive	6	5	3	6	Yes
9	Sri C S K Prabhu	Non-Executive	3	3	4	5	Yes
10	Dr K R Thillainathan	Non-Executive	1	-	-	6	Yes
11	Sri S Palaniswami	Non-Executive	1	-	1	5	Yes
12	Sri S Marusamy	Non-Executive	Nil	-	-	6	Yes

Directors under Sl.No. 1 to 4 are related to each other as brothers, 3 and 6 are related as father and son.

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

** Committees formed under Clause 49 are only considered.

#Resigned w.e.f 07.03.2011

§Resigned w.e.f 10.02.2011

AUDIT COMMITTEE

The Audit Committee consists of the following 4 Directors, of whom 3 are independent. During the financial year the Audit Committee met 4 times and the attendance of each member is furnished below:

Name of the Member	Category	No of Meetings Attended
Sri K N V Ramani	- Chairman	4
Sri S K Sundararaman	- Non-Executive Director	4
Sri C S K Prabhu	- Independent Director	3
Sri S Palaniswami	- Independent Director	2

The terms of reference of the Audit Committee are as set out in Clause 49 of the Listing Agreement, which inter alia includes the following:

- Review of financial reporting process and to ensure that the financial statements are correct and sufficient.
- Review with Management the quarterly, half yearly and annual financial statements before submission to the Board for approval.
- Review with Statutory and Internal Auditors the adequacy of internal control system, significant findings and follow-up thereon.
- Reviewing the Company's financial and risk management policies.

REMUNERATION COMMITTEE

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

Sri V Venkata Reddy	- Chairman & Independent Director
Dr K R Thillainathan	- Independent Director
Sri S Palaniswami	- Independent Director

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

- Recommending remuneration payable to Managing Director, Executive Director and other Directors as and when necessity arises.
- Reviewing sitting fees payable to Directors for attending Board Meetings, Committee Meetings etc.

Details of remuneration paid to Managing Director and Executive Director are given in Schedule No: 24

All the non-executive Directors are paid a sitting fee of Rs.2000/- for each Board Meeting attended by them. The members of Audit Committee are also paid a sitting fee of Rs.2000/- for each committee meeting attended by them.

DETAILS OF SHAREHOLDING OF NON EXECUTIVE DIRECTORS AS ON 31.03.2011

Name of the Director	No. of Shares held
Dr S V Balasubramaniam	Nil
Sri S V Arumugam	Nil
Sri S K Sundararaman	900
Sri V Venkata Reddy	Nil
Sri K N V Ramani	Nil
Sri C S K Prabhu	Nil
Dr K R Thillainathan	300
Sri S Palaniswami	Nil
Sri S Marusamy	500



INVESTOR’S GRIEVANCE COMMITTEE

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

The Investor’s Grievance Committee consists of:

Name of the Member	Category	No of Meetings Attended
Sri V Venkata Reddy	Chairman	4
Dr S V Balasubramaniam	Member	4
Sri S V Arumugam	Member	4

Mrs M Shyamala, Company Secretary is the Compliance Officer.

The company received 11 complaints from the shareholders during the financial year 2010-2011. All the complaints have been resolved to the satisfaction of the shareholders. No share transfer was pending as on 31.03.2011.

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

CEO & CFO CERTIFICATION

The Managing Director and General Manager-Finance (Head of finance function) have furnished a certificate relating to financial statement and internal controls and systems to the Board of Directors as prescribed under Clause 49 of the listing agreement and Board took the same on record.

INSIDER TRADING

In compliance with SEBI Regulations for prevention of insider trading the Company has framed a comprehensive Code of Conduct for its management staff. The Code lays down guidelines and procedures to be followed and disclosures to be made by the management staff while dealing with the shares of the Company.

GENERAL BODY MEETING

Location and time where last three Annual General Meetings were held:

AGM	Date	Venue	Time
27 th	29.09.2008	Nani Kalaiaragam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 37	9.15 A.M
28 th	23.09.2009	Nani Kalaiaragam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 37	9.00 A.M
29 th	20.09.2010	Nani Kalaiaragam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore – 37	9.15 A.M

DISCLOSURES

- i) None of the transactions with related parties during the year 2010-2011 were in conflict with the interest of the company.

- ii) There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.

MEANS OF COMMUNICATION

- i) The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in English and Tamil newspapers.
- ii) The Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day and Date: Thursday and 29.09.2011 Time : 9.15 A.M Venue : Nani Kalaiaragam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore 641 037	Financial Calendar Results Announced : 19.05.2011 Posting of Annual Report : On or before 02.09.2011 Last date of receipt of Proxy forms : 27.09.2011 Dividend payment date : On or before 25.10.2011 Announcement of quarterly Results : During First /Second week of August and November 2011; February and May 2012 or as stipulated by SEBI from time to time.
--	--

Date of Book Closure for the purpose of Dividend and Annual General Meeting 23.09.2011 to 29.09.2011(both days inclusive)

Share Price Movement

The high and low quotations of the company's shares on the National Stock Exchange of India Limited together with Nifty from April 2010 to March 2011 were:

Month	Share Price at NSE		Nifty-Index	
	High (Rs. Ps.)	Low (Rs. Ps.)	High	Low
April 2010	39.90	29.60	5399.65	5160.90
May	35.50	28.10	5278.70	4786.45
June	41.80	29.50	5366.75	4961.05
July	34.40	31.45	5477.50	5225.60
August	61.80	31.60	5549.80	5348.90
September	63.40	51.30	6073.50	5403.05
October	64.20	54.00	6284.10	5937.10
November	75.90	50.15	6338.50	5690.35
December	61.95	45.05	6147.30	5721.15
January 2011	64.40	49.10	6181.05	5416.65
February	55.60	42.10	5599.25	5177.70
March	48.95	41.00	5872.00	5348.20

Based on the closing quotation of Rs.45.35 as at 31.03.2011 at National Stock Exchange of India Limited, Mumbai, the market capitalization of the company was Rs.97.98 Crores.

**SHARE DETAILS**

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

Bombay Stock Exchange Limited, Mumbai

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001

Stock Code: 511108

National Stock Exchange of India Limited

"Exchange Plaza", Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051

Stock Code : SHIVTEX

The Company has paid Annual listing fees for the year 2011 - 2012

DEMATERIALISATION OF SHARES

The shares of the company are in compulsory demat segment. The company's shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Members have option to hold their shares in demat form (i.e electronic mode) either through the NSDL or CDSL. As on 31-03-2011, 94.19% of the shares of the Company have been dematerialized. ISIN allotted to our company is INE705C01012.

SHARE TRANSFER AGENT

S K D C Consultants Ltd

Kanapathy Towers, 3rd Floor

1391/A-1, Sathy Road

Ganapathy, Coimbatore - 641 006

Telephone : 0422 6549995, 2539835 – 836

Fax : 0422 2539837

E-Mail : info@skdc-consultants.com

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

SHARE TRANSFER SYSTEM

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

SHAREHOLDING PATTERN AS ON 31.03.2011

Category	No of Shares Held	Percentage of Shareholding
Promoter's Holding	1,61,88,744	74.93
Banks/FIs/Mutual Funds	1,400	0.01
Private Corporate Bodies	9,92,414	4.59
Indian Public	43,92,327	20.33
NRI/OCBs	29,636	0.14
TOTAL	2,16,04,521	100.00

PLANT LOCATION

Spinning Unit - I	Spinning Unit - II	Knitting Unit & Garment Unit
Velvarkottai Village Dindigul District Tamilnadu	Kodangipalayam Village Karadivavi Road Paruvai Post, Coimbatore District, Tamilnadu	Kodangipalayam Village Karadivavi Road Paruvai Post, Coimbatore District, Tamilnadu
Windmills		
Mundavelampatti Village Erode District Tamilnadu	Gudimangalam Athukinathupatti & Uthukuli Villages Coimbatore District Tamilnadu	Sanganeri Tirunelveli District Tamilnadu

ADDRESS FOR CORRESPONDENCE

Non-receipt of dividend, Registration of Power of Attorney, status change, transmission, consolidation, split and other queries may directly be sent to the following address:

The Company Secretary
Shiva Texyarn Limited,
Regd Office: 252, Mettupalayam Road,
Coimbatore - 641 043.

Coimbatore
19th May, 2011

By Order of the Board
S V BALASUBRAMANIAM
CHAIRMAN



MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY'S BUSINESS

The Company's principal line of business is manufacturing and marketing of Cotton Yarn and other textile products viz., Knitted Fabrics and Knitted Garments. The Company has two spinning units viz., Unit I near Dindigul with an installed capacity of 39072 spindles and Unit II near Coimbatore with an installed capacity of 50400 spindles aggregating to 89472 spindles, Knitting unit near Coimbatore with capacity to produce about 12 MT of knitted fabric per day, Garment unit near Coimbatore to produce knitted garments and 80 Windmills with an installed capacity of 28795 KW.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Textiles and Clothing Industry accounts for 4% of Country's GDP, contributes 14% to total Industrial Production and nearly 16.63% of the total export earnings are contributed by Textile sector.

The FY 2010-11 saw the textile industry revive after passing through severe recession till the third quarter of FY 2009-10. The revival was supported both by recovery in domestic demand and pickup in export demand for textile products. However due to shortage of natural fibre in world market, cotton prices have sky rocketed from the beginning of the current cotton season October' 2010 – September' 2011 which has resulted in the finished products also becoming dearer. Hence the situation remains fluid for the current FY 2011-12.

OPPORTUNITIES

The Industry fulfills one of the basic necessities of life. Apart from the conventional textile products which are presently manufactured in the Country, tremendous opportunities exist in the field of Home Textiles, Medical Textiles, Constructions Textiles which need to be tapped so as to increase the market share.

OUTLOOK

The outlook for the Textile industry remains positive. India's domestic market has grown significantly in the past registering a Compounded Annual Growth Rate (CAGR) of 13%. Despite the demand slump, the domestic market is expected to grow by around 9-10% in the next 5 years. Various policy initiatives have also been announced by the Government viz., extension of TUF scheme till March'2012, Scheme for Integrated Textile Parks etc to increase Investment in the sector. Considering the overall prospects for the Industry, the outlook for the Company remains positive in the medium term.

RISKS AND CONCERNS

Availability of Cotton, the main raw material for manufacture of Cotton Yarn is subject to the vagaries of nature and the prices also fluctuate wildly based on supply/demand in the World market and Government policy on export of Cotton. Availability of skilled labor is also one of the concerns which the Industry has to tackle on a priority basis. The Government policies also play a role in determining the future of the Industry.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

Coimbatore
19th May, 2011

By Order of the Board
S V BALASUBRAMANIAM
CHAIRMAN

DECLARATION ON CODE OF CONDUCT

The Members of Shiva Texyarn Limited

In compliance with the requirements of clause 49 of the listing agreement with the stock exchanges, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.03.2011.

Place : Coimbatore
Date : 19th May, 2011

For **SHIVA TEXYARN LIMITED**
S V ALAGAPPAN
MANAGING DIRECTOR

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

(Under Clause 49 of the Listing Agreement)

To the Members of Shiva Texyarn Limited

We have examined the compliance of conditions of Corporate Governance by SHIVA TEXYARN LIMITED for the year ended on 31st March, 2011 as stipulated in Clause 49 of the listing agreement of the said company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us:

1. We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.
2. We state that based on representations made by the management and confirmation given by the Registrar and Share Transfer Agent of the company, no investor grievances were remaining unattended as on 31st March 2011 for a period exceeding one month.
3. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : COIMBATORE
Date : 19th May, 2011

for **V K S AIYER & CO**
Chartered Accountants
V S SRINIVASAN
Partner
Membership No.F-13729
ICAI Firm Regn. No.000066-S



AUDITORS' REPORT

To the Members of Shiva Texyarn Limited

We have audited the attached Balance Sheet of SHIVA TEXYARN LIMITED as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March 2011, from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - i. In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - ii. In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii. In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

for **V K S AIYER & CO**
Chartered Accountants

V S SRINIVASAN
Partner

Place : COIMBATORE
Date : 19th May, 2011

Membership No.F-13729
ICAI Firm Regn. No.000066-S

Annexure to Auditors' Report

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern, status of the Company is not affected.
2. In respect of its inventories:
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The Company has neither granted nor taken loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the Course of our audit, we have not observed any major weaknesses in internal control system.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956 :
 - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s.301 of the Companies Act, 1956, which exceeded Rs.5 (Five) lakhs in respect of any party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 for Textile and Wind Electricity. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the same.



9. In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other Statutory dues have been generally, regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable.
- b) The disputed statutory dues aggregating to Rs.5.32 lakhs, that have not been deposited on account of matters pending before appropriate authorities are as under:-

Sl.No.	Name of the Statute	Nature of the dues	Forum where dispute is Pending	Amount (Rs. in lakhs)
1.	ESI Act	ESI	ESI Corporation	5.32

- 10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- 11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- 12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- 13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- 14. According to the records of the Company, there are no transactions and contracts in respect of trading in securities, debentures and other investments; all shares, debentures and other investments have been held by the Company in its own name.
- 15. The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- 16. The Term Loans raised by the Company have been applied for the purpose for which they were raised.
- 17. In our opinion and according to the information and explanations given to us and on over all examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- 18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 19. The Company has not issued any debentures during the period under audit.
- 20. The Company has not raised any money by way of public issue during the year.
- 21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that caused the financial statements to be materially misstated.

for **V K S AIYER & CO**
Chartered Accountants
V S SRINIVASAN
Partner

Place : COIMBATORE
Date : 19th May, 2011

Membership No.F-13729
ICAI Firm Regn. No.000066-S

BALANCE SHEET AS AT 31ST MARCH 2011

	Sch No.	Year Ended 31.03.2011	Year Ended 31.03.2010
[Rs in Lakhs]			
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	1	2160.45	2160.45
b) Reserves and Surplus	2	10538.23	8254.40
		<u>12698.68</u>	<u>10414.85</u>
2. LOAN FUNDS			
a) Secured Loans	3	35911.35	31493.87
b) Unsecured Loans	4	32.49	254.68
		<u>35943.84</u>	<u>31748.55</u>
3. DEFERRED TAX LIABILITY		3149.53	2103.52
TOTAL		<u>51792.05</u>	<u>44266.92</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
a) Gross Block	5	39374.59	35603.71
b) Less: Depreciation and Other Charges		8572.03	8241.21
c) Net Block		30802.56	27362.50
d) Capital work-in-progress		662.34	236.67
Sub-Total		<u>31464.90</u>	<u>27599.17</u>
2. INVESTMENTS	6	78.00	1415.16
3. CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories	7	13047.56	6123.37
b) Sundry Debtors	8	4149.31	2297.39
c) Cash and Bank Balances	9	2408.57	2722.37
d) Other Current assets	10	1303.09	976.46
e) Loans and Advances	11	3021.92	5778.67
		<u>23930.45</u>	<u>17898.26</u>
Less: CURRENT LIABILITIES AND PROVISIONS	12		
a) Current Liabilities	A	2370.83	1745.91
b) Provisions	B	1310.47	899.76
		<u>3681.30</u>	<u>2645.67</u>
NET CURRENT ASSETS		<u>20249.15</u>	<u>15252.59</u>
TOTAL		<u>51792.05</u>	<u>44266.92</u>

To be read with Schedules 1 to 12 and notes in Schedule 24

Subject to our report of even date attached

For **V K S AIYER & CO**
Chartered Accountants
V S SRINIVASAN
Partner

For and on behalf of the Board
S V BALASUBRAMANIAM
Chairman

S V ALAGAPPAN
Managing Director

S V ARUMUGAM
Director

M SHYAMALA
Company Secretary

Coimbatore
19th May, 2011

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2011

	Sch No.	Year Ended 31.03.2011	Year Ended 31.03.2010
[Rs in Lakhs]			
I. INCOME			
a) Sales and Incidental Receipts	13	39504.83	18956.27
b) Income from Wind Mills		208.58	391.83
c) Income from Other Operations	14	41.64	104.69
d) Other Income	15	141.44	128.50
	[A]	39896.49	19581.29
II. EXPENDITURE			
a) Raw Materials consumed		26677.39	12300.54
b) Purchase of Yarn		1682.24	138.70
c) Purchase of Fabrics		53.10	-
d) Purchase of Garments		230.04	-
e) Manufacturing Expenditure	16	2346.51	1881.27
f) Salaries, Wages and Other Benefits	17	964.38	699.13
g) Repairs and Maintenance Expenditure	18	965.72	638.01
h) Interest and Financial Costs	19	2313.28	1271.12
i) Administrative and Other Expenditure	20	660.92	388.17
j) Selling and Distribution Expenditure	21	720.83	409.57
k) Extra Ordinary Items	22	329.19	-
		36943.60	17726.51
Sub-Total			
Stock Adjustment	23	(2623.09)	(343.86)
	[B]	34320.51	17382.65
III. PROFIT BEFORE PROVISION FOR DEPRECIATION AND EXTRANEIOUS ITEMS	[A - B]	5575.98	2198.64
Less: Depreciation		1765.98	1350.33
IV. PROFIT BEFORE PRIOR YEAR / EXTRANEIOUS ITEMS		3810.00	848.31
Add/(Less):			
a) Prior year Income/(Expenses) - Net		(8.74)	(20.00)
V. NET PROFIT BEFORE TAX		3801.26	828.31
Less: Provision for Taxation:-			
- Income Tax		726.44	142.32
- Wealth Tax		-	0.25
- Deferred Tax liability (Net)		1046.01	256.48
- MAT Credit entitlement		(719.70)	(140.08)
- Prior Year Income Tax		12.56	50.51
- Prior Year Wealth Tax		2.22	0.36
- Prior Year Interest Tax		73.25	-

	Sch No.	Year Ended 31.03.2011	Year Ended 31.03.2010
			[Rs in Lakhs]
VI. NET PROFIT AFTER TAX		2660.48	518.47
Add : Balance brought forward from last year		43.90	27.36
		2704.38	545.83
VII. APPROPRIATIONS			
a) Provision for proposed Equity Dividend		324.07	216.05
b) Provision for Tax on Dividend		52.57	35.88
c) Transfer to General Reserve		2000.00	250.00
d) Surplus carried over		327.74	43.90
		2704.38	545.83
Earnings per Share - Basic & Diluted (Rs.)		12.31	2.40

To be read with Schedules 13 to 23 and notes in Schedule 24

Subject to our report of even date attached

For **V K S AIYER & CO**

Chartered Accountants

V S SRINIVASAN

Partner

For and on behalf of the Board

S V BALASUBRAMANIAM

Chairman

S V ALAGAPPAN

Managing Director

S V ARUMUGAM

Director

M SHYAMALA

Company Secretary

Coimbatore

19th May, 2011



CASH FLOW STATEMENT

	Period Ended 31.03.2011	Period Ended 31.03.2010
	[Rs in Lakhs]	
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	3801.26	828.31
Adjustments for:		
Interest and Finance Charges	2313.28	1271.12
Income from Investments	(14.47)	(14.54)
Profit on Sale of Fixed Assets	(61.94)	-
Loss on Sale of Fixed Assets	-	0.20
Profit on Sale of Investments	(421.49)	(4.89)
Security Deposit on Lease written back	(122.28)	-
Provision for Investment /(Written back)	(1.37)	1.39
Depreciation	1765.98	1350.33
Impairment loss on assets leased written off	110.70	-
Direct Taxes	(94.77)	(53.36)
	3473.65	2550.25
Operating Profit before working capital changes	7274.91	3378.56
Adjustments for:		
(Increase)/Decrease in Current Assets	(6346.00)	(6508.79)
Increase/(Decrease) in Current Liabilities	910.91	(488.36)
Net cash flow from Operating Activities	1839.82	(3618.59)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Investments	1958.12	7.16
Purchase of Investments	(198.09)	(466.47)
Income from Investments	14.47	14.54
Purchase of fixed assets (incl. Capital WIP)	(6304.94)	(6857.16)
Sale of /Write back of Security deposit on assets leased	122.76	-
Sale/Transfer of other fixed assets	623.99	0.21
Capital subsidy received	-	11.77
Net cash flow from Investing Activities	(3783.70)	(7289.95)

	Period Ended 31.03.2011	Period Ended 31.03.2010
	[Rs in Lakhs]	
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Bank borrowings	4258.95	2583.79
Term Loans borrowed/(repaid) - Net	158.53	9820.05
Fixed Deposits received/(repaid) - Net	(222.19)	(266.26)
Dividend on Equity Share Capital	(216.05)	(194.44)
Tax on Dividend	(35.88)	(33.05)
Interest and Finance charges	(2313.28)	(1271.12)
Net cash flow from Financing Activities	1630.08	10638.97
Net increase in cash and cash equivalents	(313.80)	(269.57)
Cash and cash equivalents at the beginning of the year	2722.37	2991.94
Cash and cash equivalents at the end of the year	2408.57	2722.37

Subject to our report of even date attached
 For **V K S AIYER & CO**
 Chartered Accountants
V S SRINIVASAN
 Partner

Coimbatore
 19th May, 2011

For and on behalf of the Board
S V BALASUBRAMANIAM
 Chairman
S V ALAGAPPAN
 Managing Director
S V ARUMUGAM
 Director
M SHYAMALA
 Company Secretary



SCHEDULES

	Year Ended 31.03.2011	Year Ended 31.03.2010
	[Rs in Lakhs]	
1 SHARE CAPITAL		
AUTHORISED		
2,20,00,000 Equity Shares of Rs.10/- each	2200.00	2200.00
ISSUED, SUBSCRIBED & PAID UP:		
2,16,04,521 (2,16,04,521) Equity shares of Rs.10/- each fully paid up	2160.45	2160.45
	<u>2160.45</u>	<u>2160.45</u>
2 RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	5955.72	5705.72
Add: Transfer from Profit and Loss Account	2000.00	250.00
	<u>7955.72</u>	<u>5955.72</u>
Capital Reserve		
As per last Balance Sheet	11.77	-
Add: Capital subsidy received	-	11.77
	<u>11.77</u>	<u>11.77</u>
Equity Share Premium		
As per Last Balance Sheet	2243.01	2243.01
Balance of Surplus in Profit and Loss Account	327.74	43.90
TOTAL	<u>10538.23</u>	<u>8254.40</u>
3 SECURED LOANS		
A) TERM LOAN FROM BANKS		
i) ICICI Bank Ltd	207.29	336.46
ii) Indian Overseas Bank	8744.89	7121.14
iii) Canara Bank	7081.13	6808.69
iv) State Bank of Hyderabad	4454.56	5157.81
v) Uco Bank	520.00	529.02
vi) Bank of Maharashtra	616.84	38.26
vii) Bank of Baroda	2525.18	2500.00
B) SHORT TERM LOAN FROM BANKS		
i) ICICI Bank Ltd	2000.00	2000.00
ii) IDBI Ltd	-	1500.00
C) WORKING CAPITAL LOAN FROM BANKS		
Against stocks/receivables of textile assets:		
Indian Overseas Bank - Cash Credit	2635.49	3674.60
Indian Overseas Bank - FCNR (B)	1129.99	680.95
Indian Overseas Bank - PCFC	-	57.16
Indian Overseas Bank - Packing Credit	80.21	-
Bank of Baroda - Cash Credit	2258.12	-
ICICI Bank Ltd - Cash Credit	300.00	-
Canara Bank - Cash Credit	1631.77	402.59
Canara Bank - FCNR (B)	-	687.20
Canara Bank - PCFC	304.88	-
Allahabad Bank - PCFC	721.46	-
Allahabad Bank - Cash Credit	699.54	-
TOTAL	<u>35911.35</u>	<u>31493.87</u>
Instalments of Loans due within one year	5372.15	6506.56
4 UNSECURED LOANS		
Fixed Deposits	32.49	254.68
	<u>32.49</u>	<u>254.68</u>
Fixed deposits due for repayment within one year	32.49	223.93

5. FIXED ASSETS AND DEPRECIATION SCHEDULE

SL. No.	Particulars	GROSS BLOCK					DEPRECIATION & OTHER CHARGESE @					NET BLOCK	
		As at 01.04.2010	Additions/ Transfers	Deletions/ Transfers	As at 31.03.2011	Upto 31.03.2010	For the Year	Withdrawn/ Deletions	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010		
1	Land & Site Development	456.32	15.48	80.55	391.25	-	-	-	-	391.25	456.32		
2	Building (Incl Temp Shed)	5716.32	494.02	33.99	6176.35	364.98	160.96	6.32	519.64	5656.71	5351.33		
3	Plant & Machinery	27862.24	5321.79	686.16	32497.87	6579.16	1585.43	238.31	7926.27	24571.60	21283.09		
4	Vehicles & Equipments on Lease	1297.48	-	1297.48	-	1186.30	-	1186.30	-	-	111.18		
5	Office & Miscellaneous Equipments	126.82	28.88	1.32	154.40	61.45	8.24	1.46	68.23	86.16	65.38		
6	Vehicles	88.99	5.79	8.91	85.87	30.59	7.87	2.78	35.68	50.19	58.40		
7	Furniture & Fittings	55.53	13.32	-	68.85	18.72	3.49	-	22.21	46.64	36.80		
	TOTAL (A)	35603.70	5879.29	2108.41	39374.59	8241.20	1765.98	1435.17	8572.03	30802.56	27362.50		
	Capital Work in Progress :												
	Building	175.25	378.58	203.96	349.87	-	-	-	-	349.87	175.25		
	Machinery	61.41	4178.79	3927.72	312.48	-	-	-	-	312.48	61.41		
	TOTAL (B)	236.67	4557.37	4131.69	662.34	-	-	-	-	662.34	236.67		
	TOTAL (A+B)	35840.38	10436.65	6240.10	40036.93	8241.20	1765.98	1435.17	8572.03	31464.90	27599.16		
	Total for the Previous Year	28991.38	7778.37	929.37	35840.38	6898.63	1350.33	7.75	8241.21	27599.16	22092.74		

@ Includes Provision for accumulated Depreciation Rs.8572.03 lakhs (Rs.7751.82 lakhs) and Provision for Impairment Loss against Vehicles & Equipments on Lease Rs.Nil (Rs.489.39 lakhs)



6. INVESTMENTS

Sl.No.	Name of the Company	No of Shares	Face Value (Rs.)	As at 31.03.2011	Cost As at 31.03.2010
(Rs. in Lakhs)					
EQUITY SHARES (NON-TRADE QUOTED)					
1	Arvind Liquid Gases Ltd	1000	10000.00	0.41	0.41
2	Bannari Amman Spinning Mills Ltd @	-	250000.00	-	1.81
3	Bannari Amman Sugars Ltd @	-	42500.00	-	16.41
4	Dyna Lamps & Glass Works Ltd	20000	200000.00	2.00	2.00
5	Eastern Sugars & Industries Ltd	17500	175000.00	1.75	1.75
6	Hindalco Industries Ltd	20	200.00	0.02	0.02
7	ICICI Bank	1465	14650.00	8.89	8.89
8	IDBI Ltd	640	6400.00	0.37	0.37
9	IFCI Ltd	16000	160000.00	11.29	11.29
10	KG Denim Ltd	5000	50000.00	0.85	0.85
11	NEPC India Ltd	13000	130000.00	6.66	6.66
12	Ponni Sugars & Chemicals Ltd	3030	30300.00	0.40	0.40
13	Shree Karthik Papers Ltd	30000	300000.00	3.00	3.00
14	State Bank of India	50	5000.00	0.58	0.58
15	Steel Authority of India Ltd	1000	10000.00	0.62	0.62
16	Sterlite Industries (India) Ltd	9050	9050.00	15.21	-
17	Super Sales Agencies Ltd	2300	23000.00	3.38	3.38
18	Telephone Cables Ltd	1000	10000.00	1.34	1.34
19	VGP Finance Ltd	500	5000.00	0.05	0.05
20	Sterlite Technologies Ltd	700	1400.00	0.73	-
TOTAL				57.53	59.81
EQUITY SHARES (UN QUOTED)					
1	Arun Fuels Ltd	100	1000.00	0.10	0.10
2	Bannari Amman Enterprises Ltd @	-	1305000.00	-	13.05
3	Bannari Amman Exports Ltd @	-	900000.00	-	9.00
4	The Catholic Syrian Bank Ltd	10000	100000.00	3.20	3.20
5	Bannari Amman Flour Mill Ltd @	-	731330.00	-	176.48
6	Sakthi Beverages Ltd	20000	200000.00	2.00	2.00
7	Shiva Distilleries Ltd @	45000	450000.00	4.50	4.50
8	Tulya Alloy Castings Ltd	1200	12000.00	0.12	0.12
9	Annamallai Infrastructures Ltd @	-	10000000.00	-	100.00
10	Bannari Amman Apparel Private Ltd @	-	81553350.00	-	815.53
11	Bannari Infotech Private Ltd @	300000	3000000.00	30.00	-
TOTAL				39.92	1123.98
PREFERENCE SHARES (UN QUOTED)					
1	Anamallais Agencies Private Ltd @	-	24794300.00	-	252.19
Aggregate cost of all investments				97.45	1435.98
Less: Provision for fall in value of investments				19.45	20.82
				78.00	1415.16
2	Aggregate cost of quoted investments			57.53	59.81
	Market value of quoted investments			58.89	91.96

@ Denotes companies under the same management within the meaning of Section 370(IB) of the Companies Act, 1956.

	Period ended 31.03.2011	Period ended 31.03.2010
	[Rs in Lakhs]	
7 INVENTORIES		
Raw Materials	8847.07	4695.49
Process	486.03	519.31
Finished Goods	3169.13	604.58
Waste and scrap	250.93	145.70
Stores, Spares, Packing and Other Materials	294.41	132.24
Standing Crop-Jetropha	-	26.05
TOTAL	<u>13047.56</u>	<u>6123.37</u>
8 SUNDRY DEBTORS (Unsecured & Considered Good)		
a) Debts outstanding for a period exceeding 6 Months		
Considered good	31.44	690.95
Considered doubtful	10.88	284.35
	<u>42.32</u>	<u>975.30</u>
Less: Provision for Doubtful Debts	10.88	284.35
	<u>31.44</u>	<u>690.95</u>
b) Others-Considered good	4117.87	1606.44
TOTAL	<u>4149.31</u>	<u>2297.39</u>
9 CASH AND BANK BALANCES		
a) Cash and Cheques on hand	50.92	15.85
b) Cash with Scheduled Banks		
In Deposit Accounts	431.01	663.72
In Current Accounts	1899.35	2016.89
In Unpaid Dividend Accounts	27.29	25.92
TOTAL	<u>2408.57</u>	<u>2722.37</u>
10 OTHER CURRENT ASSETS		
Income accrued and other receivables	1200.33	881.90
Stock of stamp paper	0.16	3.72
Prepaid Expenses	102.60	82.12
Pre-operative Expenses to be capitalised	-	8.73
TOTAL	<u>1303.09</u>	<u>976.46</u>
11 LOANS AND ADVANCES		
(Recoverable in cash or Kind)		
a) Advances by way of Loans/Intercorporate Deposits		
- Considered good	-	35.41
- Considered doubtful	-	33.38
	<u>-</u>	<u>68.79</u>
Less: Provision for Doubtful Loans	-	33.38
Sub-Total	<u>-</u>	<u>35.41</u>



	Period ended 31.03.2011	Period ended 31.03.2010
	[Rs in Lakhs]	
b) Other Advances/Receivables (Recoverable in cash or kind) - Considered good	45.35	479.29
c) Direct Taxes paid in Advance/Refunds due	1914.40	1029.23
d) Advances for Purchases / Expenses	217.88	408.76
e) Advances for Capital Expenditure	309.48	3473.01
f) Security and Trade Deposit	291.93	200.04
g) Advances to Staff / Operatives	6.83	6.40
h) Deposits with Govt Dept. and Others	236.05	146.54
Sub-Total	<u>3021.92</u>	<u>5743.26</u>
TOTAL	<u>3021.92</u>	<u>5778.67</u>
12 CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
a) Liability for capital expenditure :		
Due to small and Medium Enterprises	-	-
Due to others	77.49	86.75
b) Liability for Purchases and expenses :		
Due to Small and Medium Enterprises	-	-
Due to others	1809.77	1282.51
c) Interest accrued but not due on loan/deposits	34.10	76.29
d) Liability for Others	422.24	274.45
e) Unclaimed Dividends	27.23	25.92
TOTAL	<u>2370.83</u>	<u>1745.91</u>
B. PROVISIONS		
a) Provision for Taxation :		
Income Tax	920.54	626.12
Fringe Benefit tax	12.00	12.00
Wealth tax	-	0.25
b) Provision for Gratuity	1.29	9.47
c) Provision for proposed Dividend	324.07	216.05
d) Provision for tax on Dividend	52.57	35.88
TOTAL	<u>1310.47</u>	<u>899.76</u>
13 SALES AND INCIDENTAL RECEIPTS		
Finished Goods		
- Yarn	31548.22	14408.38
- Fabric	4090.51	2525.19
- Garments	1333.91	459.61
Waste	2277.61	1272.07
Knitting Charges (TDS Rs.128114/-)	64.15	6.48
Cutting, Machining & Trimming Charges (TDS Rs.8851/-)	10.29	46.95
Export Incentive/DEPB/Duty Drawback Entitlement	180.13	237.58
TOTAL	<u>39504.83</u>	<u>18956.27</u>

	Period ended 31.03.2011	Period ended 31.03.2010
	[Rs in Lakhs]	
14 INCOME FROM OTHER OPERATIONS		
Interest from Loans and Deposits	0.10	0.56
Interest on Bank Deposits (TDS Rs.304553/-)	27.80	73.16
Commission Receipts (TDS Rs.292669/-)	13.74	30.97
TOTAL	<u>41.64</u>	<u>104.69</u>
15 OTHER INCOME		
Income from trade Investments	14.47	14.54
Profit on sale of Investments	-	4.89
Performance Compensation	24.64	-
Gain on Exchange Rate Fluctuation	-	26.85
Interest Receipts (TDS Rs.82407/-)	16.98	20.09
Bad Debts Recovered	1.75	1.11
Other Miscellaneous Income (TDS Rs.786316/-)	82.23	61.02
Provision for doubtful debts written back (Net of write off)	-	-
Provision for Investments written back	1.37	-
TOTAL	<u>141.44</u>	<u>128.50</u>
16 MANUFACTURING EXPENDITURE		
Knitting and Processing Charges	509.31	221.45
Power and Fuel	1421.53	1395.01
Stores, Spares and Packing materials consumed	415.67	264.81
TOTAL	<u>2346.51</u>	<u>1881.27</u>
17 SALARIES, WAGES AND OTHER BENEFITS		
Salaries, Wages and Bonus	782.83	524.21
Workmen and Staff Welfare Expenses	87.64	88.05
Contribution to Provident Fund and other Funds	42.51	23.77
Contribution to Gratuity Fund	30.97	33.17
Staff Recruitment and Training Expenses	20.42	29.92
TOTAL	<u>964.38</u>	<u>699.13</u>
18 REPAIRS AND MAINTENANCE EXPENDITURE		
Building	108.96	58.66
Machinery and Equipments	543.69	380.89
Electrical	87.37	49.96
Vehicle	24.64	23.23
Windmill	125.57	76.60
Other Assets	75.48	48.68
TOTAL	<u>965.72</u>	<u>638.01</u>

**Period ended
31.03.2011**Period ended
31.03.2010

[Rs in Lakhs]

19 INTEREST AND FINANCIAL COSTS

Interest on - Fixed Deposits	10.62	35.16
- Bank Cash Credit Loans	422.78	361.46
- Bank Fixed Loans	1758.42	764.76
Bank charges and Commitment charges	94.39	55.07
Exchange Loss on FCNRB Loans	26.48	0.00
Financial charges	0.60	54.66
TOTAL	2313.28	1271.12

20 ADMINISTRATIVE AND OTHER EXPENDITURE

Director's Sitting Fee	1.34	1.18
Travelling and Conveyance Expenses	60.35	39.83
Printing and Stationery	13.70	18.05
Managerial Remunerations	199.21	72.55
Postage, Telephone and Mailing charges	17.80	15.91
General Expenses	58.91	31.59
Security Service charges	0.80	2.65
Rent Payments	26.51	18.07
Electricity and Lighting Expenses	8.01	0.99
Filing and Registration Fees	1.27	1.46
Legal and Professional fees	43.83	44.48
Insurance Premium	100.44	61.43
Subscription, Membership and Periodicals	2.07	0.66
Auditors' Remuneration	12.56	5.73
Listing Fee	2.23	2.56
Rates and Taxes	56.72	39.39
Sundry balances written off	7.11	10.31
Bad debts / Advances written off	-	8.30
Loss on sale of Fixed assets	-	0.20
Provision for doubtful debts / advances	10.88	9.29
Provision for diminution in value of investments	-	1.39
Donation	10.23	0.45
Agriculture Expenses	26.16	-
Freight and Cartage-Inwards	0.77	1.71
TOTAL	660.92	388.17

Period ended 31.03.2011 Period ended 31.03.2010

[Rs in Lakhs]

21 SELLING AND DISTRIBUTION EXPENDITURE

Advertisement Expenses	2.11	2.13
Business Promotion Expenses	14.60	31.00
Freight and Transport on Sales	249.61	125.24
Sales Discount	145.64	111.20
Commission and Brokerage	<u>308.88</u>	<u>139.99</u>
TOTAL	<u>720.83</u>	<u>409.57</u>

22 EXTRA ORDINARY ITEMS

a) Income		
Profit on sale of Investments	421.49	-
Profit on sale of Fixed Assets	61.94	-
Security Deposit on Lease written back	122.28	-
(a)	<u>605.71</u>	<u>-</u>
b) Expenses		
HP/Lease/Other receivables written off (Net of Provision)	669.33	-
Impairment loss on leased assets written off	110.70	-
Expenses on TNEB Infrastructure	154.87	-
(b)	<u>934.90</u>	<u>-</u>
Net Expenses (b-a)	<u>329.19</u>	<u>-</u>

23 STOCK ADJUSTMENT

a) Opening Stock		
Process	114.81	19.65
Finished Goods	604.58	479.01
Waste	145.17	22.03
(a)	<u>864.55</u>	<u>520.69</u>
b) Closing Stock		
Process	67.59	114.81
Finished Goods	3169.13	604.58
Waste	250.93	145.17
(b)	<u>3487.65</u>	<u>864.55</u>
(INCREASE)/DECREASE IN STOCK (a-b)	<u>(2623.09)</u>	<u>(343.86)</u>



Schedule 24

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011.

I. SIGNIFICANT ACCOUNTING POLICIES

1. METHOD OF ACCOUNTING

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

2. USE OF ESTIMATES

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

3. FIXED ASSETS

- i) Fixed assets have been maintained in the books at historical cost. Fixed assets acquired on amalgamation of Shiva Texyarn Limited have been accounted for based on the gross purchase consideration adopted for acquisition as per the Scheme of Amalgamation which was effective from 1.1.2001.
- ii) Cenvat credit eligible against capital equipments purchased during the year for central excise duty paid, service tax paid and for State Value Added Tax paid have been adjusted and reduced from the cost of the relevant asset.

4. INVESTMENTS

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

5. INVENTORIES

Inventories have been valued as stated below:

- i) Raw materials - cotton - at moving average cost
- ii) Packing materials, stores and spares - at weighted average cost
- iii) Process - at estimated standard cost
- iv) Finished goods - at estimated standard cost or Market value, whichever is lower
- v) Waste - at since realized / realizable value
- vi) Scrapped machines - at depreciated value or market value, whichever is lower
- vii) Stationery, stamps etc., - at actual item wise cost

6. REVENUE RECOGNITION

- i) Sales are accounted on transfer of property in goods to the buyers for a definite consideration; Sales include exchange fluctuation gain/loss realized or incurred during the year in respect of export sales.
- ii) Sales include receipts incidental to export such as income from import entitlement and premium on sale of such entitlement etc.
- iii) Income from windmills denotes income earned by sale of electricity to Tamilnadu Electricity Board and the income accrued for which billing is pending.

- iv) Revenue from others:
 - a) Income from investments in shares is accounted for in the year in which the right to receive the yield are definite.
 - b) Income from erstwhile financing business against overdue hire purchase instalments, lease rentals, bills discounted and advances classified as doubtful debts/loans are accounted for to the extent collected upon final settlement of account with the parties.

7. FOREIGN CURRENCY TRANSACTIONS

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

8. EXCISE DUTY

Excise duty if any is consistently accounted on clearance basis.

9. DEPRECIATION

Provision for depreciation has been made on cost of fixed assets, as reduced by the cenvat credit, adopting the following methods/rates:

- i) On straight line method and at the rates prescribed in schedule XIV to the Companies Act, 1956; for plant and machinery in the spinning units of textile division, the rates applicable to continuous process plant have been applied.
- ii) For assets costing Rs.5000/- or less, full depreciation has been charged in the year of purchase of such assets; for other assets acquired during the year pro-rata charge has been made from the date of first use; no depreciation is charged in the year of disposal of assets, as per consistent practice followed by the company, which has no revenue impact.

10. ACCOUNTING FOR TAXES ON INCOME

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

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

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

11. IMPAIRMENT OF ASSETS

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

12. BORROWING COSTS

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

13. EARNINGS PER SHARE

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



14. DEFINED RETIREMENT BENEFITS

Gratuity, which is a defined benefit, is accrued based on independent actuarial valuations as at the balance sheet date (or) the gratuity has been accounted for an actuarial valuation by contribution to an approved gratuity fund established under Life Insurance Corporation of India (LIC) group gratuity scheme; for subsequent periods provision is made in the accounts for accrued gratuity on accrual basis; difference in payment of gratuity to employees is being accounted for in the year of settlement of such liability.

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

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

15. RELATED PARTY TRANSACTIONS

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

16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

17. CASH FLOW STATEMENTS

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

18. CENVAT AND STATE VAT FOR INPUTS

- i) The value of eligible CENVAT Credit against Central Excise duty paid on purchase of capital goods and service tax on capital expenditure have been deducted from the cost of relevant plant and machinery capitalized.
- ii) The value of eligible CENVAT Credit against Central Excise duty paid has been adjusted against the relevant materials purchased and inventory of materials has been valued at rates net of CENVAT Credit; Service Tax paid against input services has been reduced from the relevant expenses for input credit taken.
- iii) CENVAT Credit availed has been adjusted against Central Excise duty incurred on finished goods dispatched and unavailed deferred CENVAT Credit are carried over as advance.
- iv) STATE VAT – Input Credit against Capital goods are adjusted against relevant asset and net amount capitalized; Input credit against remaining goods are accounted for by adjustments against cost of relevant goods; Unadjusted State VAT is carried over as advance.

19. OPERATING LEASES

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

20. RESEARCH AND DEVELOPMENT

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

II. OTHER INFORMATION

1. SECURED LOANS

i) Term Loan granted by Canara Bank :

	Current Year	Previous Year
	(Rs. in lakhs)	
a. Amount Sanctioned	2220.00	2220.00
b. Amount Outstanding	450.83	540.11

The loan is secured by hypothecation of windmills installed by the Company and by equitable mortgage of the land on which the wind mills are installed. The loan is further secured by personal guarantees of Chairman, Managing Director and a Director of the Company.

ii) Term Loans granted by ICICI Bank:

	Current Year	Previous Year
	(Rs. in lakhs)	
a. Amount Sanctioned	875.00	875.00
b. Amount Outstanding	207.29	336.46

a) The loans are secured by the immovable properties as first mortgage and also by hypothecation of the movables, both belonging to the Company's Spinning Unit I, subject to the charges created/to be created in favour of the banks on current assets for working capital finance.

b) A loan with an outstanding amount of Rs.19.79 lakhs (Rs.98.96 lakhs) is secured by a Corporate Guarantee executed by Shiva Distilleries Ltd.

c) A loan with an outstanding amount of Rs.187.50 lakhs (Rs.237.50 lakhs) is secured by personal guarantee of a Director of the Company.

iii) Short Term Loan granted by ICICI Bank & IDBI Bank:

	Current Year	Previous Year
	(Rs. in lakhs)	
a. Amount Sanctioned by ICICI Bank	2000.00	2000.00
Amount Outstanding	2000.00	2000.00
b. Amount Sanctioned by IDBI Bank	Nil	1500.00
Amount Outstanding	Nil	1500.00

The loans are secured by a subservient charge on the current assets of the spinning unit(s) subject to the charges created/to be created in favour of the banks on current assets for working capital finance.

iv) Term Loan granted by Indian Overseas Bank:

	Current Year	Previous Year
	(Rs. in lakhs)	
a. Amount Sanctioned	2220.00	2220.00
b. Amount Outstanding	999.00	1296.00

The loan is secured by hypothecation of windmills acquired by the Company and dedicated for consumption of power at the Spinning Unit-I; the loan is further secured by equitable mortgage of the land on which the windmills are installed.



v) Term Loan granted by Bank of Maharashtra:

	Current Year	Previous Year
	(Rs. in lakhs)	
a. Amount Sanctioned	1200.00	1200.00
b. Amount Outstanding	616.84	38.26

The loan is secured by hypothecation of the movables belonging to the Company's Spinning Unit-I, subject to the charges created/to be created in favour of the banks on current assets for working capital finance and first charge on the immovables of the said unit on pari passu basis, which is pending for creation.

vi) Term Loan granted by Indian Overseas Bank, UCO Bank, State Bank of Hyderabad & Canara Bank:

	Current Year	Previous Year
	(Rs. in lakhs)	
a. Amount Sanctioned by Indian Overseas Bank	8000.00	8000.00
Amount Outstanding	4733.89	5022.44
b. Amount Sanctioned by UCO Bank	525.00	525.00
Amount Outstanding	520.00	529.02
c. Amount Sanctioned by State Bank of Hyderabad	6000.00	6000.00
Amount Outstanding	4454.56	5157.81
d. Amount Sanctioned by Canara Bank	8000.00	8000.00
Amount Outstanding	6630.30	6268.58

The loans availed for the spinning unit - II, knitting and garment units are secured by hypothecation of movables and also by a first charge on the immovables of the spinning unit - II.

vii) Term Loan granted by Bank of Baroda:

	Current Year	Previous Year
	(Rs. in lakhs)	
a. Amount Sanctioned	2500.00	2500.00
b. Amount Outstanding	2525.18	2500.00

The loan availed for meeting long term working capital requirements is secured by hypothecation of movables of Spinning Unit -I subject to charges created/to be created in favour of bank for working capital requirements and also by a first charge on the immovables of the Spinning Unit-I at Dindigul on pari passu basis.

viii) Term Loan granted by Indian Overseas Bank:

	Current Year	Previous Year
	(Rs. in lakhs)	
a. Amount Sanctioned	3012.00	3012.00
b. Amount Outstanding	3012.00	802.70

The loan availed for augmenting wind power capacity by an additional 5.75 MW is secured by hypothecation of new windmills installed by the Company and by Equitable Mortgage of the land on which the wind mills are installed.

ix) Working Capital facilities from Canara Bank, Indian Overseas Bank, Bank of Baroda & ICICI Bank:

	Current Year	Previous Year
	(Rs. in lakhs)	
a. Working Capital Limit from Canara Bank	3005.00	3005.00
Amount Outstanding in OCC	719.59	402.60
b. Working Capital Limit from IOB	2255.00	2255.00
Amount Outstanding in OCC	1266.99	1109.86
c. Working Capital Limit from ICICI Bank	2000.00	3000.00
Amount Outstanding	300.00	-
d. Working Capital Limit from BOB	1000.00	-
Amount Outstanding	753.06	-

The Working Capital facilities are secured by hypothecation of Company's current assets of the textile Spinning Unit-I at Dindigul viz. stock of raw materials, stock in process, finished goods, stores and spares, bills receivables, book debts and other movables wherever situated. The charges are ranking pari passu. These working capital limits are further secured by second mortgage of the immovable properties of the textile Spinning Unit-I.

x) Working Capital facilities from Indian Overseas Bank, Canara Bank, Bank of Baroda & Allahabad Bank :

	Current Year	Previous Year
	(Rs. in lakhs)	
a. Working Capital Limit from IOB	4000.00	4000.00
Amount Outstanding	2578.70	3302.84
b. Working Capital Limit from Canara Bank	2700.00	2700.00
Amount Outstanding	1217.06	687.20
c. Working Capital Limit from BOB	2000.00	-
Amount Outstanding	1505.07	-
d. Working Capital Limit from Allahabad Bank	1500.00	-
Amount Outstanding	1421.00	-

The Working Capital Limit facilities for the spinning unit - II are secured by hypothecation of current assets of the Spinning unit - II viz. stock of raw materials, stock in process, finished goods, stores and spares, bills receivables, book debts and other movables wherever situated. The charges are ranking pari passu. These working capital limits are further secured/to be secured by second mortgage of the immovable properties of the Spinning unit - II.

2. CURRENT ASSETS

- i) Balances with scheduled banks in deposit accounts subject to lien/pledge in favour of Government authorities in the ordinary course of the business of the company, is Rs.240.00 lakhs (Previous year Rs.240.00 lakhs).
- ii) Closing stock of finished goods in textile division is valued excluding excise duty as the company opted for clearance at 'Nil' duty and hence no provision for excise duty is made as expense. The method of valuation has no impact on the net profits.
- iii) Sundry debtors (Others) in Schedule No.8 include debt due by a Company in which directors are interested for sale of shares and transfer of share application money, aggregating to Rs.1504.36 lakhs (Previous year Rs.Nil).
- iv) In the opinion of the Board of Directors, all the current assets, loans and advances would realize value stated in the normal course of business of the Company.



3. LOANS AND ADVANCES

A. Advances by way of loans and inter-corporate deposit consist of:	Current Year	Previous Year
	(Rs. in lakhs)	
i) Loans/inter-corporate deposit considered good in respect of which the company is fully secured	Nil	35.41
ii) Loans/inter-corporate deposit considered good in respect of which the company holds no security other than debtors personal security	Nil	Nil
iii) Loans/inter-corporate deposit unsecured and considered doubtful or substandard for which provision has been made	Nil	33.38
B. Other advances:		
Includes Share Application Advance to M/s Bannari Amman Apparel Private Limited, a joint venture company, in which the Company together with its associate hold 50% of the controlling interest (Since liquidated during the year)	Nil	163.26

4. CONTINGENT LIABILITIES

The Company is contingently liable for :	Current Year	Previous Year
	(Rs. in lakhs)	
i) Disputed Income Tax demand remanded by the second Appellate Authority, pending revision for the assessment year 1998-99	Nil	30.13
ii) Disputed Interest Tax demands remanded by the second Appellate Authority, pending revision of assessments.	Nil	61.98
iii) The amount of duty concession availed against the pending obligation (for import of capital goods under concessional customs duty linked to fulfillment of export obligations)	3298.81	2991.15
iv) Disputed demands from ESI Authorities pertaining to Corporate Office	5.32	5.32

5. OTHER INFORMATION

i) Estimated amount of contracts on capital account:	Current Year	Previous Year
	(Rs. in lakhs)	
Estimated amount of contracts executed on capital accounts and to be provided for (Net of advance)	332.04	3997.00

6. RETIREMENT BENEFITS DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD 15

a. Defined Contribution Plan:

Particulars	Current Year	Previous Year
	(Rs. in lakhs)	
i) Contribution to Provident Fund	14.42	13.06
ii) Contribution to Pension Fund/Family Pension	25.05	10.71
iii) Contribution to Employees State Insurance Scheme	9.66	7.00

b. Defined Benefit Plan:

Gratuity

A. Changes in present value of obligation		
PV of obligation as at beginning of the year	98.80	84.14
Current Service Cost	7.74	7.18
Interest Cost	9.93	6.64
Actuarial (gain)/loss on obligation	11.59	0.84
PV of obligation as at end of the year	128.06	98.80
B. Change in Assets during the year ended 31 st March		
FV of Plan Asset as at the beginning of the year	103.93	72.41
Expected Return of Plan Assets	9.93	6.65
Settlement Claims - Credit	(1.69)	(5.11)
Contributions by the Employer	32.99	29.98
FV of Plan Asset as at end of the year	145.16	103.93
C. Net Asset/(Liability) recognized in the Balance Sheet		
PV of obligation as at end of the year	128.06	98.80
FV of Plan Asset as at end of the year	145.16	103.93
Funded Status [Surplus/(Deficit)]	17.10	5.12
D. Expenses recognized during period ended 31 st March		
Current Cost	7.74	7.18
Interest Cost	9.93	6.65
Expected return on Plan Asset	(13.28)	(9.51)
Actuarial (gain)/loss	20.91	28.86
Net amount recognized in Profit and Loss Account	25.30	33.17
E. Categories of plan assets as a percentage of total plan assets		
Equity instruments	-	-
Debt instruments	-	-
Property	-	-
Insurer managed asset	100%	100%
F. Assumptions used in accounting for gratuity plan		
Discount Rate (per annum)	8.00%	8.00%
Rate of increase in compensation levels (per annum)	8.00%	8.00%
Rate of return on plan assets (per annum)	9.15%	9.15%
Expected average remaining working lives of employees (years)	31.53	32.39

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



7. RELATED PARTIES DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD 18

A. Related parties:

- i) Holding and Subsidiary Companies: Nil
- ii) Associates:
 - Anamallais Agencies Private Ltd
 - Anamallais Automobiles Private Ltd
 - Annamallai Infrastructures Ltd
 - Annamallai Retreading Company Private Ltd
 - Bannari Amman Flour Mill Ltd
 - Bannari Amman Spinning Mills Ltd
 - Bannari Amman Sugars Ltd
 - Sakthi Murugan Transports Ltd
 - Shiva Cargo Movers Ltd
 - Shiva Distilleries Ltd
 - Vedanayagam Hospital Ltd
- iii) Joint venture:
 - Bannari Amman Apparel Private Ltd
- iv) (1) Key management personnel:
 - Sri S V Alagappan - Managing Director
 - Sri A Senthil - Executive Director (upto 25.01.2011)
- (2) Relatives of key management personnel:
 - Dr S V Balasubramaniam - Brother of Managing Director
 - Sri S V Arumugam - Brother of Managing Director and Parent of Executive Director
 - Sri S V Balakrishnan - Brother of Managing Director
 - Smt A Lalitha - Daughter of Managing Director

B. Nature and Amount of Related Party Transactions and balances outstanding as at the close of the year 31.03.2011. (Rs. in Lakhs)

Nature of Transaction	Associates		Joint Venture		Key Mgt Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Rent paid	5.82	5.22	-	-	-	-
Lorry freight	5.96	-	-	-	-	-
Purchase of yarn	1682.24	138.70	-	-	-	-
Purchase of fabrics	53.52	-	-	-	-	-
Purchase of Machinery	32.04	-	-	-	-	-
Sale of fabrics	-	30.62	3.04	249.39	-	-
Sale of waste cotton	41.19	-	-	-	-	-
Sale of investments & fixed assets	1577.88	-	-	-	-	-
Conversion charges received	58.51	6.47	-	-	-	-
Sale of yarn	563.38	77.57	55.97	-	-	-
Remuneration to Key Mgt Personnel	-	-	-	-	199.21	72.55
Advance for investment in joint venture	-	-	-	163.26	-	-
Amount outstanding at the year end:						
Receivables	1504.86	79.55	-	391.62	-	-
Payables	2.56	-	-	-	-	-
Amount written off during the year	-	-	-	-	-	-

Note: Details for Remuneration to key management personnel are disclosed in item No.13 of Schedule No.24.

	Current Year	Previous Year
	(Rs. in lakhs)	
8. EARNINGS PER SHARE		
Net Profit after tax for basic and Diluted EPS	2660.48	518.47
No of Shares	216.05	216.05
Basic and diluted Earnings per share (Rs.)	12.31	2.40

9. DEFERRED TAX

Computed as per Accounting Standard 22 for timing difference in tax treatment of allowances and expenses :

a. Deferred Tax Liability:		
Related to Fixed Assets	4100.70	2738.34
Others	-	-
	<u>4100.70</u>	<u>2738.34</u>
b. Deferred Tax Assets:		
Related to provisions	9.37	104.61
Related to unabsorbed depreciation	927.92	520.11
Related to disallowances	13.88	10.10
	<u>951.17</u>	<u>634.82</u>
Net Deferred Tax Liability as at close of the year	3149.53	2103.52
Net Deferred Tax Liability as at beginning of the year	2103.52	1847.04
Net Increase in deferred tax Liability	1046.01	256.48

10. DISCLOSURE FOR IMPAIRMENT LOSS AS PRESCRIBED UNDER ACCOUNTING STANDARD 28

Equipments leased in the erstwhile finance business have been treated as impaired and written down value of Rs. 110.70 lakhs of such assets have been written off. Consequently, security deposit of Rs. 122.28 lakhs received from the customers against such assets leased were written back as a liability no longer payable (Refer Schedule No.22).

11. INCOME TAX, INTEREST TAX, WEALTH TAX AND FBT ASSESSMENTS

- i) Status of Assessments:
- The income tax assessments have been completed up to the assessment year 2008-09.
 - Levy of interest tax was withdrawn with effect from assessment year 2000-01; for past assessments, based on revision orders passed against Appellate orders, provision has been made on completion of revision proceedings.
 - The wealth tax assessment have been completed upto the assessment year 2008-09.

ii) Income tax for current year:

	Current Year	Previous Year
	(Rs. in lakhs)	
a) Provision for Income tax on the taxable Book Profit computed U/s 115JB of the Income Tax Act	726.44	142.32
b) Tax Credit available U/s 115JAA of the Income Tax Act as against tax paid on Book Profit	719.70	140.08
iii) Wealth tax for current year:		
Provision made towards Wealth tax	Nil	0.25



12. INFORMATION PURSUANT TO PART II OF SCHEDULE VI TO THE COMPANIES ACT,1956

A. CAPACITY, PRODUCTION, STOCKS AND TURNOVER

	Product	Units	Current Year	Previous Year
Licenced Capacity #	Yarn	Spindles	99000	99000
	Fabrics	Kgs	—	—
	Garments	Pieces	—	—
	Wind electricity	KW	22545*	16795*
Installed capacity	Yarn	Spindles	89472	89472
	Wind electricity	KW	22545	16795
Actual production	Yarn	MT	19066.18	12574.49
	Purchase of Yarn	MT	738.17	117.03
	Cotton waste	MT	5281.76	3728.46
	Fabric	MT	2101.31	1668.42
	Garments	Nos.	423603	279044
	Purchase of Garments	Nos	224878	—
	Wind electricity	Units in lakhs	323.35	246.18
	Yarn	MT	421.02	397.18
	Yarn	Rs. in lakhs	591.52	470.81
	WIP	Rs. in lakhs	114.81	19.64
Opening stock	Cotton waste	MT	586.99	73.75
	Cotton waste	Rs. in lakhs	145.17	22.03
	Fabric	MT	5.50	4.87
	Fabric	Rs. in lakhs	8.33	8.20
	Garments	Nos.	14762	—
	Garments	Rs. in lakhs	4.73	—
	Yarn	MT	1708.76	421.02
	Yarn	Rs. in lakhs	3055.68	591.52
	WIP	Rs. in lakhs	486.03	114.81
	Cotton waste	MT	323.60	586.99
Closing stock	Cotton waste	Rs. in lakhs	250.93	145.17
	Fabric	MT	51.95	5.50
	Fabric	Rs. in lakhs	93.51	8.33
	Garments	Nos.	16658	14762
	Garments	Rs.in lakhs	19.94	4.73
	Yarn	MT	18516.40**	12665.36
	Yarn	Rs. in lakhs	35468.56**	16663.35**
	Cotton waste	MT	5545.15	3230.08
	Cotton waste	Rs. in lakhs	2261.04	1272.07
	Fabric	MT	2054.87	1667.78
Sales and other revenue	Fabric	Rs. in lakhs	4009.01**	2408.15**
	Garments	Nos.	646585	264282
	Garments	Rs. in lakhs	1333.91	459.61
	Wind electricity	Units in lakhs	323.35	246.18
	(including inter division transfer)			
	Wind electricity	Rs. in lakhs	1172.62	756.19

#As technically assessed by the Management

* Exclusive of 6250 kw of wind mill capacity dedicated for captive use of Spinning Unit - I.

** Includes inter unit transfers

B. RAW MATERIALS CONSUMED

Raw materials	Cotton	MT	24776.76	16557.94
Consumed	Cotton value	Rs.in lakhs	26162.09	11867.76

C. VALUE OF IMPORTED / INDIGENOUS MATERIALS CONSUMED

	Current Year		Previous Year	
	Rs. in lakhs	%	Rs. in lakhs	%
1. Cotton :				
Imported	547.56	2.09	314.82	2.65
Indigenous	25614.53	97.91	11552.94	97.35
Total	26162.09	100.00	11867.76	100.00
2. Stores & Spares :				
Imported	109.72	18.83	46.15	12.88
Indigenous	473.08	81.17	312.05	87.12
Total	582.80	100.00	358.20	100.00

D. IMPORTS-CIF VALUE

	Current Year	Previous Year
	(Rs. in lakhs)	
Components & Spare Parts	112.22	46.68
Capital Goods	294.26	1806.21
Raw Materials	547.56	314.82

E. EXPENDITURE IN FOREIGN CURRENCY

Travelling, Training & Others	13.80	9.67
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F. EARNINGS IN FOREIGN CURRENCY

FOB value of Exports	8528.78	3367.74
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13. MANAGERIAL REMUNERATION

A. Details of remuneration paid/payable to Managing Director/Executive Director of the Company are as follows:

	Current Year	Previous Year
	(Rs. in lakhs)	
(i) Managing Director		
a. Salary	33.00	24.00
b. Commission to Managing Director	77.56	18.04
c. Provident Fund	3.96	2.88
d. Perquisites	24.21	0.41
Total	138.73	45.33
(ii) Executive Director		
a. Salary	12.19	15.00
b. Commission to Executive Director	31.87	9.02
c. Provident Fund	1.74	1.80
d. Perquisites	14.68	1.40
Total	60.48	27.22



Current Year Previous Year
(Rs in lakhs)

B. Calculation of commission to Managing Director/ Executive Director under Section 198 of the Companies Act, 1956.

Net profit as per profit and loss account	3801.26	828.31
Less: Capital profit on sale of immovable property	123.80	—
	<hr/> 3677.46	<hr/> 828.31
Add: Managerial Remunerations	199.21	72.55
Director's Sitting Fees	1.34	1.18
	<hr/> 3878.01	<hr/> 902.04
Net profit as per Section 309(5) read with Sec 198 of the Companies Act, 1956	<hr/> 77.56	<hr/> 18.04
Commission to Managing Director	31.87	9.02
Commission to Executive Director		

14. PROFIT AND LOSS ACCOUNT

i) Remuneration to statutory auditors consist of:

Audit Fees	4.25	2.60
Tax Audit & Taxation Services	6.87	1.75
Certification & Management Services	1.44	0.93
Service Tax Reimbursed	—	0.45
Total	<hr/> 12.56	<hr/> 5.73

ii) Break -up for Bad debts/sundry balance written off/provision for doubtful debts written off/back.(Refer Schedule No.22)

Bad debts (HP/Lease/Other receivable) written off	987.06	8.30
Less : Provision for doubtful debts written back	317.73	—
Net amount debited/(credited) to Profit and Loss Account	<hr/> 669.33	<hr/> 8.30

15. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently, the amount paid/payable to these parties during the year is treated as Nil.

In the opinion of the Board of Directors, there were no overdue sundry creditors requiring payment of any interest on overdue liability.

16. There are no amounts required to be transferred to Central Government under the Investor Education and Protection Fund.

17. Previous year's figures are regrouped wherever required to conform to current year groupings and figures in brackets denote previous year's figures.

Signatories for Schedules 1 to 24 above

Subject to our report of even date attached

For **V K S AIYER & CO**

Chartered Accountants

V S SRINIVASAN

Partner

For and on behalf of the Board

S V BALASUBRAMANIAM

Chairman

S V ALAGAPPAN

Managing Director

S V ARUMUGAM

Director

M SHYAMALA

Company Secretary

Coimbatore

19th May, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(a) Registration Details

Registration No.	: 181-00945	State Code	: 18
Balance Sheet Date	: 31 st March 2011		

(b) Capital Raised during the year (Rs. in lakhs)

Public Issue	: NIL	Right Issue	: NIL
Bonus Issue	: NIL	Private Placement	: NIL

(c) Position of Mobilisation and Deployment of Funds (Rs. in lakhs)

Total Liabilities	: 51792.05	Total Assets	: 51792.05
Sources of Funds			
Paid-up Capital	: 2160.45	Reserves & Surplus	: 10538.23
Secured Loans	: 35911.35	Unsecured Loans	: 32.49
Deffered Tax Liability	: 3149.53		
Application of Funds			
Net Fixed Assets	: 31464.90	Investments	: 78.00
Net Current Assets	: 20249.16	Miscellaneous Expenditure	: Nil
Accumulated Losses	: Nil		

(d) Performance of the Company (Rs. in lakhs)

Total Income (Including other income)	: 39896.49	Total Expenditure	: 36095.23
Profit Before Tax	: 3801.26	Profit after Tax	: 2660.48
Earnings Per Share	: 12.31	Dividend rate percentage	: 15%

(e) Generic Names of Three Principal Products/Services of the Company (As per monetary terms)

Product Description	Item Code
i) Cotton Yarn	520511.01
ii) Cotton Knitted Fabric	600622.00

For and on behalf of the Board

S V BALASUBRAMANIAM
Chairman

S V ALAGAPPAN
Managing Director

S V ARUMUGAM
Director

Coimbatore
19th May, 2011

M SHYAMALA
Company Secretary

KEY FINANCIAL DATA

Rs. in Lakhs

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-2010	2010-2011
Total Income	9397.58	9211.23	10099.32	9912.32	9970.28	19581.29	39896.49
Profit Before Interest, Depreciation & Tax (PBIDT)	2115.38	2699.06	2939.35	2257.45	1897.61	3449.76	7889.26
Interest	734.42	691.24	620.76	469.38	465.82	1271.12	2313.28
Depreciation	771.84	697.04	720.79	743.42	832.46	1350.33	1765.98
Provisions, Prior period & Extraneous items (net)	-	(210.96)	44.57	(74.55)	(2.24)	-	8.74
Profit Before Tax (PBT)	609.12	1521.74	1553.23	1119.20	601.57	828.31	3801.26
Tax and other provisions	100.61	(7.23)	10.06	499.01	151.55	309.84	1140.78
Profit After Tax (PAT)	508.51	1528.97	1543.17	620.19	450.02	518.47	2660.48
Dividend (%)	10%	15%	15%	15%	9%	10%	15%
Dividend amount	216.05	324.07	324.07	324.07	194.44	216.05	324.07
Share Capital	2160.45	2160.45	2160.45	2160.45	2160.45	2160.45	2160.45
Reserves & Surplus	5827.91	6987.36	8151.39	7753.55	7976.09	8254.40	10538.23
Loan funds	10799.72	10405.33	8389.13	8169.06	19610.97	31748.55	35943.84
Other Term liability	1024.88	1024.88	1024.88	1828.30	1847.04	2103.52	3149.53
Net Fixed Assets	11653.34	12207.57	11841.96	11520.15	22092.74	27599.16	31464.90
Investment	452.41	458.64	453.79	752.62	952.35	1415.16	78.00
Net Current assets	7539.84	7795.14	7363.43	7621.91	8549.46	15252.60	20249.15

KEY FINANCIAL RATIOS**Financial Ratios :**

Interest/Total Income (%)	7.81	7.50	6.15	4.74	4.67	6.49	5.80
PBDIT/Total Income (%)	22.51	29.30	29.10	22.77	19.03	17.62	19.77
PBT/Total Income (%)	6.48	16.52	15.38	11.29	6.03	4.23	9.53
PAT/Total Income (%)	5.41	16.60	15.28	6.26	4.51	2.65	6.67
ROCE (PBIT/Average Capital employed) (%)	17.16	13.32	13.14	8.23	7.93	9.59	17.38
RONW (PAT/Net Worth) (%)	6.37	16.71	14.97	6.26	4.44	4.98	20.95
Debt Equity Ratio (Long Term Debt/Net Worth (exclusive of DTL)	0.85	0.58	0.45	0.52	1.44	2.16	1.90
Per Share Data							
EPS (Rs.)	2.35	7.08	7.14	2.87	2.08	2.40	12.31
CEPS (Rs.)	5.93	10.30	10.48	7.07	6.02	9.84	25.33
Dividend (Rs.)	1.00	1.50	1.50	1.50	0.90	1.00	1.50
Book value (Rs.)	36.97	42.34	47.73	45.89	46.92	48.21	58.78

SHIVA TEXYARN LIMITED

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

ATTENDANCE SLIP

(Please hand over this at the entrance of the Meeting Hall)

Name of the Member			
DP ID Number		Client ID Number	
Member's Folio Number		No. of Shares held	
Name of the Proxy (in BLOCK LETTERS) to be filled if the proxy attends instead of the member			

I hereby record my presence at the Thirtieth Annual General Meeting held on the 29th September 2011 at 9.15 a.m. at Nani Kalai Arangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037.

Member's / Proxy's Signature

SHIVA TEXYARN LIMITED

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

PROXY FORM

I/Weof
.....being a Member / Members of Shiva Texyarn Ltd,
hereby appointof.....or
failing himof.....or
failing himof.....as
my/our Proxy to attend and vote for me / us on my / our behalf at the Thirtieth Annual General Meeting of the Company to be held on the 29th September 2011 and at any adjournment thereof.

Signed this day of2011

Affix
1 Rupee
Revenue
Stamp

DP ID Number		Client ID Number	
Member's Folio Number		No. of Shares held	

NOTE : The Proxy form must be deposited at the Registered Office of the Company at 252, Mettupalayam Road, Coimbatore - 641 043, not less than forty-eight hours before the time for holding the aforesaid meeting.

NO GIFTS WILL BE DISTRIBUTED AT THE MEETING

LOCATION OF UNITS

TEXTILE UNITS

Spinning Unit - I

Velvarkottai Village
Dindigul District - 624 803
Tamilnadu

Spinning Unit - II

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

Knitting Unit

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

Garment Unit

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

WIND MILLS

Munduelampatti Village
Erode District
Tamilnadu

Gudimangalam, Athukinathupatti and
Uthukuli Villages
Coimbatore District
Tamilnadu

Sanganeri
Tirunelveli District
Tamilnadu



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