



SHIVA TEXYARN LIMITED

**36th
Annual Report
2017**

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BOARD OF DIRECTORS

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

AUDITORS

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

INTERNAL AUDITORS

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

COST AUDITOR

Sri M Nagarajan
Cost Auditor
Coimbatore - 641 018

REGISTERED OFFICE

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

CHIEF FINANCIAL OFFICER

Sri C Krishnakumar

COMPANY SECRETARY

Sri R Srinivasan

BANKERS

Canara Bank
Indian Overseas Bank
ICICI Bank Ltd
UCO Bank
State Bank of India
Bank of Maharashtra
Bank of Baroda
Karur Vysya Bank
Axis Bank Limited
HDFC Bank Limited

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 36th Annual General Meeting of the Members of the Company will be held at Nani Kalaiarangam, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641037 on Monday the 25th day of December, 2017 at 9.15 A.M to transact the business set out in the agenda given below:

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

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company both Standalone and Consolidated for the financial year ended 31st March, 2017, the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Sri S V ALAGAPPAN, (DIN 00002450) who retires by rotation and being eligible, offers himself for re-appointment.
4. **To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution :**

RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Bangalore (Firm Registration No: 117366W/W-100018) be and are hereby appointed as Auditors of the Company, to hold the office from the conclusion of this 36th Annual General Meeting until the conclusion of 41st Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors be and are hereby authorized to fix their remuneration.

SPECIAL BUSINESS

5. **Appointment of Sri S K Sundararaman (DIN 00002691) as Managing Director**

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

RESOLVED THAT pursuant to Sections 196, 197, 198, 199 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013, consent of the Company be and is hereby accorded to the appointment of Sri S K Sundararaman, (DIN 00002691) as Managing Director of the Company for a period of 5 years w.e.f 31.8.2017 and that Sri S K Sundararaman, Managing Director (DIN 00002691) who shall carry out the day to day affairs of the Company subject to superintendence and guidance of Board of Directors, be paid the following remuneration as recommended by the Nomination and Remuneration Committee:

1. **REMUNERATION:** 5% (Five Percent) of the Net Profits of the Company computed under the relevant provisions of the Companies Act, 2013, as overall remuneration, paid in the following manner:
 - a. **SALARY :** 3,00,000/- (Rupees Three Lakhs only) per month
 - b. **PERQUISITES :** An amount not exceeding annual Salary
 - c. **COMMISSION :** Balance of overall remuneration remaining after payment of the above Salary and Perquisites at the end of each financial Year.

2. PERQUISITES NOT INCLUDED IN THE ABOVE REMUNERATION:

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

MINIMUM REMUNERATION

In the absence or inadequacy of profits in any financial year, the remuneration to Sri S K Sundararaman, Managing Director (DIN 00002691) shall be governed by the limits prescribed under Section II of the Part II of Schedule V of the Companies Act, 2013. It is further provided that this provision relating to payment of Minimum remuneration is limited to the first three years of appointment of Managing Director.

FURTHER RESOLVED THAT draft Memorandum Under Section 190(1)(b) of the Companies Act, 2013, setting out the terms and conditions of the Appointment of Managing Director, duly authenticated by the Chairman of the Meeting and placed before the Board be and is hereby approved and that the same be signed by Sri S V Arumugam, Director (DIN 00002458) on behalf of the Company.

6. Appointment of Dr S V Kandasami (DIN 00002470) as Director

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

RESOLVED THAT in accordance with Articles of Association and in terms of Section 160 of Companies Act, 2013 or any amendment thereto or modifications thereof, Dr S V Kandasami (DIN 00002470) who was appointed as an Additional Director of the Company with effect from August 31, 2017, and whose term expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing along with a deposit from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company to hold office subject to retirement by rotation.

7. Appointment of Smt S Sujana Abirami (DIN 06939773) as Director

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

RESOLVED THAT in accordance with Articles of Association and in terms of Section 160 of Companies Act, 2013 or any amendment thereto or modifications thereof, Smt S Sujana Abirami (DIN 06939773) who was appointed as an Additional Director of the Company with effect from August 31, 2017, and whose term expires



at this Annual General Meeting, and in respect of whom the Company has received a notice in writing along with a deposit from a member proposing her candidature for the office of Director be and is hereby appointed as a Director of the Company to hold office subject to retirement by rotation.

8. Ratification of Appointment of Cost Auditors for financial year ended 31st March 2018

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of Audit Committee the remuneration of ₹ 1,00,000 (Rupees One Lakh only) (besides reimbursement of out of pocket expenses incurred by him for the purpose of Audit) payable to Sri M Nagarajan, Cost Auditor (Firm Registration No. 102133), as approved by the Board of Directors for conducting the Audit of the Cost Records of the Company for the Financial Year ending 31st March 2018, be and is hereby ratified and confirmed.

Coimbatore
1st November, 2017

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

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Corporate members intending to send their authorised representatives to attend the meeting, are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote at the meeting.
2. Proxies, in order to be effective, should be deposited with the Company, forty eight hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business in respect of item 5 & 6 of the Agenda is annexed hereto.
4. Previous year figures are given in brackets for the purpose of comparison.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 19.12.2017 to 25.12.2017 (both the days are inclusive).
6. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting of the Company.
7. The dividend, if declared, will be paid to those members whose names appear on the Register of Members of the Company as on 18.12.2017. 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 18.12.2017.
8. The dividend remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund established under section 205C of the Companies Act, 1956 on the respective due dates; upon such transfer, no claim shall lie against the Company or the Central Government for such unclaimed dividend.
9. Members are requested to bring their copy of the Annual Report along with them to the meeting.
10. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting. Please note that the voting through electronic means is optional for the members.
11. The voting through electronic means will commence on 22.12.2017 at 10.00 a.m and will end on 24.12.2017 at 5.00 p.m. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter.
12. The Company has appointed Mr R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the voting process in a fair and transparent manner.



13. The instructions for shareholders voting electronically are as under:

- i) The voting period begins on 22.12.2017 at 10.00 AM and ends on 24.12.2017 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18.12.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iii) Click on Shareholders.
- iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant SHIVA TEXTYARN LIMITED on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Note for Non - Individual Shareholders and Custodians
 - ❖ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ❖ After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - ❖ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ❖ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
12. Kindly note that members can opt for only one mode of voting i.e., either by voting at the venue or through remote e-voting. The Members attending the meeting, who have not already cast their vote thro remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote thro remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the venue.
13. In support of the "Green Initiative" announced by the Government of India, electronic copy of the Annual Report and Notice inter alia indicating the process and manner of e-voting along with attendance slip and proxy form are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the Company / Depository Participants unless member has requested for a hard copy of the same.
14. The Route Map of the Venue of the Annual General Meeting is attached to the Proxy Form/Attendance Slip.

Coimbatore
01st November, 2017

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

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM 5

Sri S K Sundararaman, (DIN 00002691) was appointed as Managing Director for a period of five years w.e.f. 31.8.2017 by the Board of Directors in their meeting held on 31.8.2017. Due to the resignation of Sri S V Alagappan (DIN 00002450) from the position of Managing Director and based on the recommendation of the Nomination and Remuneration Committee held on 31.8.2017, Sri S K Sundararaman was appointed as Managing Director of the Company for a period of 5 years w.e.f. 31.08.2017 on a remuneration as set out in the resolution.

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

Excepting the appointee, Dr S V Kandasami and Smt S Sujana Abirami, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

ITEM 6

Dr S V Kandasami (DIN 00002470) was appointed as an Additional Director of the Company with effect from August 31, 2017 based on the recommendation of the Nomination and Remuneration Committee and his term of office expires at this annual general meeting.