

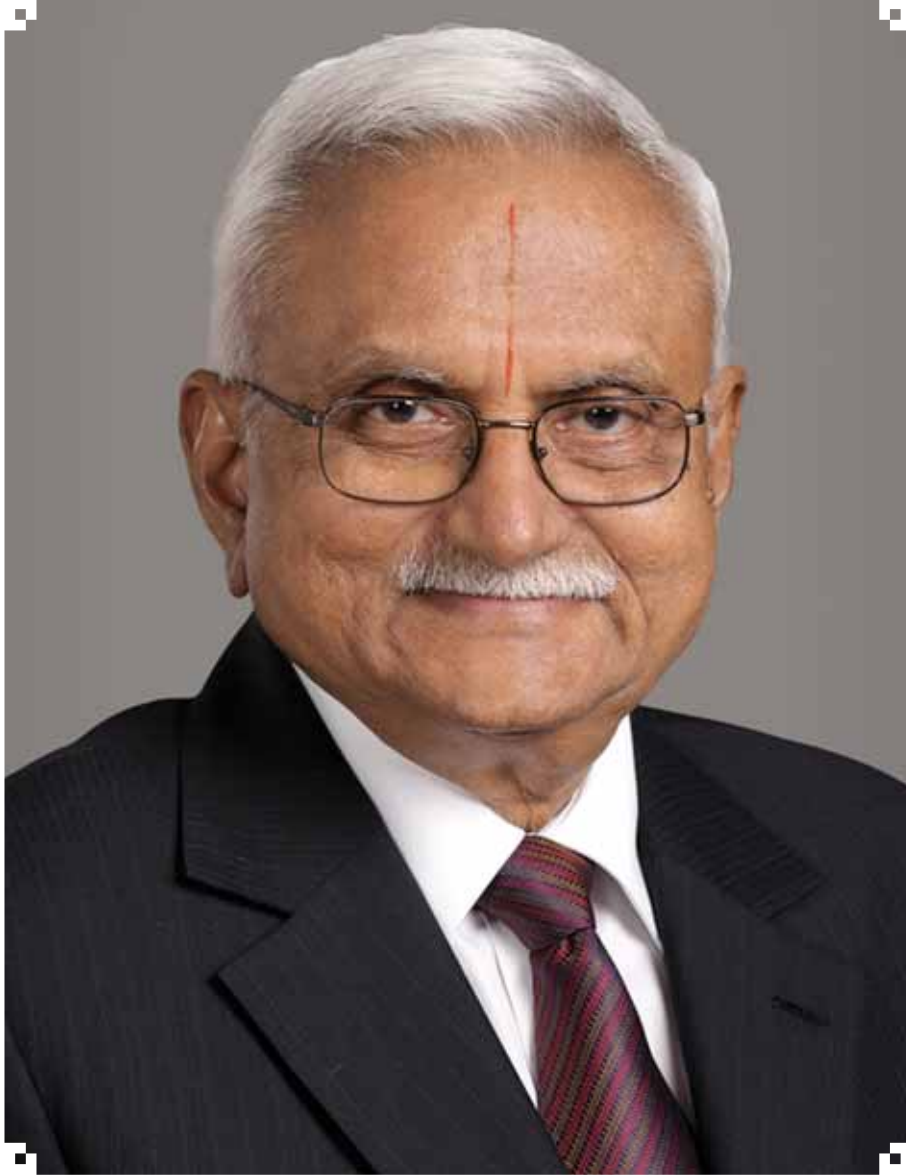
37th

Annual Report

2017 - 2018



SHRI P.A.C. RAMASAMY RAJA



"Gurubakthamani"
SHRI P.R. RAMASUBRAHMANEYA RAJHA
Sridharmarakshakar - Ramco Group

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

BOARD OF DIRECTORS

Shri P.R. VENKETRAMA RAJA, B. Tech., M.B.A.,
Chairman

Smt. S. SHARADA DEEPA, B.E.,
Managing Director

Shri S.S. RAMACHANDRA RAJA, B.Sc.,

Smt. R. CHITTAMMAL

Shri N.K. SHRIKANTAN RAJA, B.Com.,

Shri S.R. SRIRAMA RAJA, B.E.,

Shri ARUNKUMAR GOENKA, B.Com.,

Shri P.A.S. ALAGHAR RAJA, D.T.T.,

Shri S. KANTHIMATHINATHAN, M.Sc.,(Tex), M.B.A.,

Chief General Manager (Finance) cum Secretary

Shri V. Gurusamy

REGISTERED OFFICE

Sri Vishnu Shankar Mill Premises,
Post Box No. 109

P.A.C. Ramasamy Raja Salai,
Rajapalaiyam - 626 117. Tamil Nadu.

E-mail : svsm@ramcotex.com

Phone No.: 04563-235552-55

Fax No.: 04563-236493

Website: www.vishnushankarmill.co.in

Corporate Identification Number:

U17301TN1981PLC008677

BANKERS

CANARA BANK

INDIAN BANK

IDBI BANK LIMITED

THE KARUR VYSYA BANK LIMITED

TAMILNAD MERCANTILE BANK LIMITED

ICICI BANK LIMITED

RBL BANK LIMITED

INDUSIND BANK LIMITED

DCB BANK LIMITED

THE FEDERAL BANK LIMITED

HDFC BANK LIMITED

Auditors

Messrs M.S.JAGANNATHAN &
N. KRISHNASWAMI

Chartered Accountants,

5, Ground Floor, Abirami Apartments,

14 VOC Road, Cantonment,

Trichy - 620 001.

Cost Auditor

Shri M. Kannan

IV-B, Akshaya Homes,

9 B - 20, Tagore Nagar,

S.S. Colony,

Madurai - 625 016.

FACTORIES

Unit I

P.A.C. Ramasamy Raja Salai,

Rajapalaiyam - 626 117.

Unit II

Subramaniapuram Village

Srivilliputhur - 626 137.

Unit III

Gopinenipalem Village

Jaggyyapet,

Krishna District - 521 190.

Andhra Pradesh

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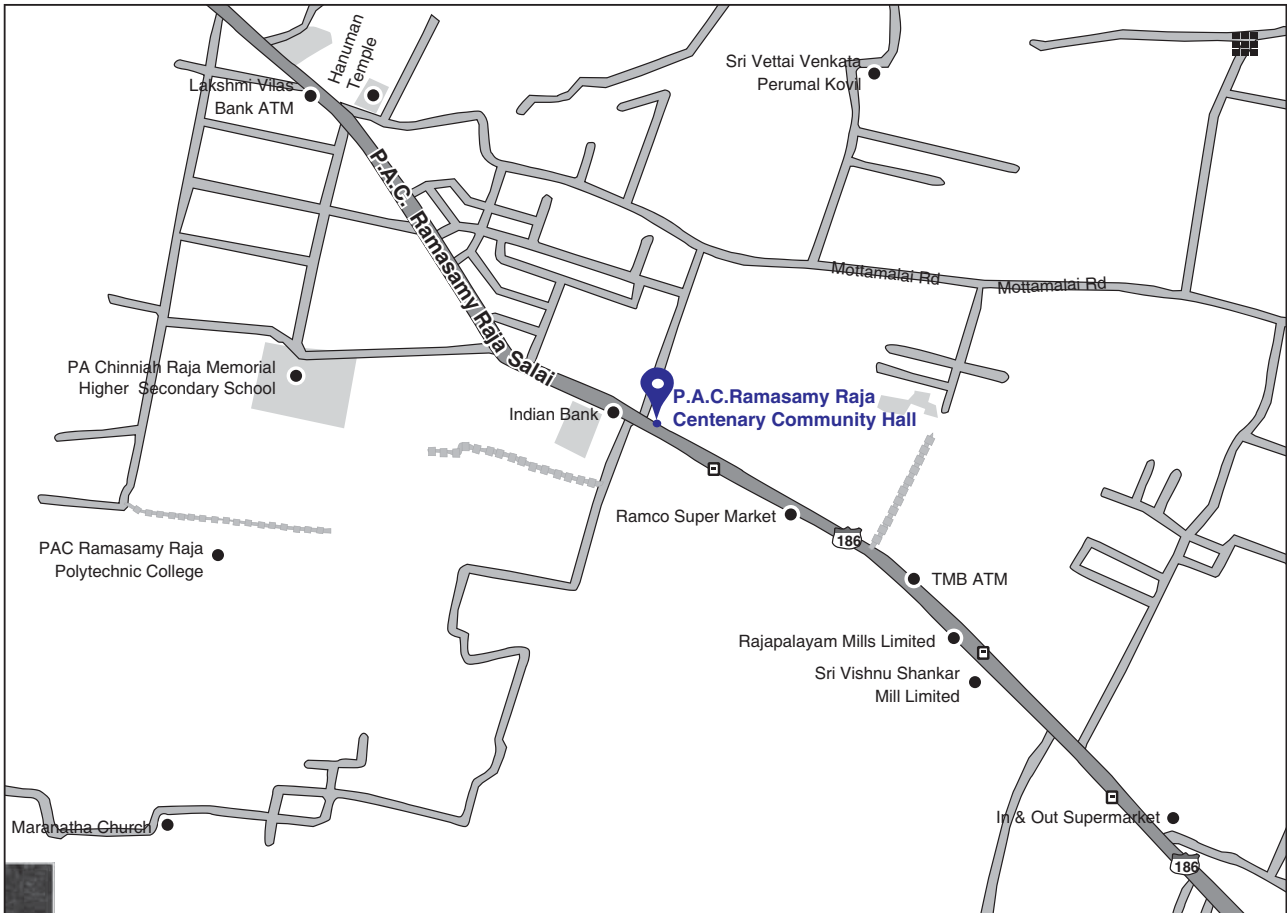
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Map Showing location of venue of 37th Annual General Meeting

**Venue Address: P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens,
P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu.**



Land Mark: Near Indian Bank, P.A.C.R. Polytechnic College Branch

Distance from Rajapalayam Bus Stand : 3.5 KM; Distance from Rajapalayam Railway Station : 3.9 KM

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTICE TO THE MEMBERS

Notice is hereby given that the 37th Annual General Meeting of the Company will be held at 10.30 A.M. on Friday, the 10th August, 2018 at P.A.C.Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu to transact the following business:

ORDINARY BUSINESS

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED that the Company's Separate and Consolidated Audited Financial Statements for the year ended 31st March, 2018, and the Reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."

2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED that Smt. R. Chittammal (DIN: 00380765), who retires by rotation, be and is hereby re-appointed as Director of the Company."

3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED that Shri S.Kanthimathinathan (DIN: 01124581), who retires by rotation, be and is hereby re-appointed as Director of the Company."

SPECIAL BUSINESS

4. To consider and pass the following Resolution, as an SPECIAL RESOLUTION:

"RESOLVED that pursuant to Section 149,152 and such other provisions as applicable of the Companies Act, 2013 and the Rules thereunder, Shri N.K.Shrikantan Raja (DIN:00350693), Independent Director of the Company, whose term ends on 31-03-2019 be reappointed as Independent Director for another 5 years starting from 01-04-2019 to 31-03-2024".

5. To approve the sale of a portion of the Ramco Cements Limited shares held by the Company to the Related Parties of the Company and in this regard to consider and if thought fit to pass with or without modification the following resolution as SPECIAL RESOLUTION:

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

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“RESOLVED that pursuant to the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its powers) Rules 2014 (including any statutory modification or re-enactment thereof, for the time being in force) the approval of the shareholders be and is hereby accorded to the Board of Directors for selling The Ramco Cements Limited equity shares held by the Company upto a limit of total sale price of ₹ 40 crores to the following related parties specified below, based on the market price prevailing on the date of the transaction.

- 1) Rajapalayam Mills Limited – upto a limit of ₹ 20 Crores.
- 2) Ramco Industries Limited – upto a limit of ₹ 20 Crores.

RESOVLED further that the Board of Directors of the Company be and is hereby authorized to do all acts, matters, deeds and things, settle any queries / difficulties / doubts arising from and to execute such addendum, contracts / arrangements / transactions, documents and writings and to make such changes to the terms and conditions of these contracts / arrangements / transactions as may be considered necessary, proper or expedients to give effects to this resolution and matters connected or incidental thereto in the best interest of the Company”.

6. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 66,000/- (Rupees Sixty six thousand only) plus applicable taxes and out-of-pocket expenses payable to Shri M. Kannan, Cost Accountant (Firm Registration No. 102185) appointed as the Cost Auditor of the Company by the Board of Directors, for the financial year 2018-19 for auditing the Cost Records relating to manufacture of textile products, be and is hereby ratified and confirmed."

By Order of the Board,
For SRI VISHNU SHANKAR MILL LIMITED,

RAJAPALAIYAM,
29th May, 2018.

P.R. VENKETRAMA RAJA
CHAIRMAN

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTICE

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed here to.
2. **A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and that the Proxy need not be a Member.**
3. A person can act as proxy on behalf of the Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total Share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/ authority, as applicable. Attendance slip is attached. Members, proxies and Authorised Signatories are requested to bring the duly filled-in and signed, attendance slips to the Meeting.
4. Under Section 124 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules, 2016), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

Hence, the Members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund.

The details of due dates for transfer of such unclaimed dividend to the said Fund are:

Financial Year ended	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend	Due Date for Transfer to IEP Fund
31-03-2011	20-07-2011	19-07-2018	17-08-2018
31-03-2014	04-08-2014	03-08-2021	01-09-2021

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

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5. In accordance with Section 124(6) of the Companies Act, 2013 and IEPF Rules 2016, the shares in respect of which, dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the designated Demat Account of the IEPF Authority (IEPF Account) within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, the Company had transferred 8,450 Shares of ₹ 10/- each to the IEPF Account on which the dividends remained unpaid or unclaimed for seven consecutive years with refernce to the due date of 31st October 2017 after following the prescribed procedures. The shareholders / their legal heirs are entitled to claim the said shares and the dividend so transferred from the IEPF by making an online application in Form No: IEPF-5 to the IEPF Authority. The procedure and the form are available at **<http://www.vishnushankarmill.co.in>** and also on **www.iepf.gov.in**.
6. A Route map with prominent land mark for easy location of the venue of the meeting is given with this notice as per requirement of Clause No.1.2.4 of the Secretarial Standard - 2 on "General Meetings".

By Order of the Board,
For SRI VISHNU SHANKAR MILL LIMITED,

RAJAPALAIYAM,
29th May, 2018.

P.R. VENKETRAMA RAJA
CHAIRMAN

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Shri N.K. Shrikantan Raja (DIN:00350693) is a Non-Executive Independent Director of the Company. At the Annual General Meeting held on 04-08-2014, Shri N.K. Shrikantan Raja was appointed as Independent Director of the Company, for a period of 5 years from 01-04-2014 to 31-03-2019. In accordance with Section 148(10) of the Companies Act, 2013, he is eligible for reappointment upon passing of a Special Resolution at the General Meeting of the Company.

In accordance with Schedule IV of the Companies Act, 2013, the Board of Directors have evaluated the performance of Independent Directors including Shri N.K. Shrikantan Raja and found the same to be satisfactory and deliberations were beneficial in Board / Committee Meetings.

In accordance with Part D(A)(5) of Schedule II, on the basis of Performance Evaluation of Independent Directors, the Nomination and Remuneration Committee at its meeting held on 28-05-2018 had recommended to extend the term of office of Shri N.K. Shrikantan Raja by reappointing him for another period of 5 years from 01-04-2019 to 31-03-2024.

In accordance with Proviso to Section 152(5) of the Companies Act, 2013, the Board of Directors have also formed an opinion that Shri N.K. Shrikantan Raja fulfills the conditions specified in the Companies Act, 2013 for such reappointment.

Shri N.K. Shrikantan Raja is eligible for sitting fee for attending Board/Committee Meetings as applicable to the Directors from time to time. His reappointment and remuneration is in accordance with Nomination and Remuneration Policy of the Company.

His reappointment has been included as Special Resolution and the Board of Directors recommend his reappointment.

His Profile in brief is given below:

Shri N.K. Shrikantan Raja, holds a Degree in Commerce.

He has been on the Board of Sri Vishnu Shankar Mill Limited since 1981.

He is a Member in the Board of Directors of the following Companies:

1. Ramco Industries Limited
2. The Ramaraju Surgical Cotton Mills Limited
3. Sri Yannarkay Services Limited
4. Sandhya Spinning Mill Limited

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

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5. Sudharsanam Investments Limited
6. N.R.K. Infra System Private Limited
7. Sri Harini Textiles Limited
8. Vinvent Chemilab Private Limited

He is also a Member in the following Committees:

Sl.No.	Name of the Company	Name of the Committee	Position Held
1	Sri Vishnu Shankar Mill Limited	Audit Committee	Chairman
2		Nomination & Remuneration Committee	Chairman
3		Corporate Social Responsibility Committee	Member
4		Share Transfer Committee	Member
5		Independent Directors Committee	Member
6	The Ramaraju Surgical Cotton Mills Limited	Audit Committee	Chairman
7		Nomination & Remuneration Committee	Chairman
8		Corporate Social Responsibility Committee	Member
9		Stakeholders Relationship Committee	Member
10	Sri Harini Textiles Limited	Share Transfer Committee	Member
11	Sandhya Spinning Mill Limited	Audit Committee	Chairman
12		Nomination & Remuneration Committee	Chairman
13		Corporate Social Responsibility Committee	Member
14		Share Transfer Committee	Member
15		Stakeholders Relationship Committee	Chairman
16		Independent Directors Committee	Chairman

He holds 3,060 Equity shares in Sri Vishnu Shankar Mill Limited.

The draft letter of reappointment for Shri N.K. Shrikantan Raja as an Independent Director, setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

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Disclosure of Interest:

Except Shri N.K. Shrikantan Raja being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relative is interested in the Resolution.

Item No. 5

The company is having 38,83,200 equity shares of ₹ 1/- each of The Ramco Cements Limited as on date. The market value of the above shares is about ₹ 295 Crores based on the market price prevailing as on 29-05-2018.

The company has a repayment commitment of ₹ 125 crores towards Term Loan and Working Capital Term Loans. In order to improve its profitability the company is envisaging various modernization/technology up-gradation programs. The company requires funds for the loan repayments and capital expenditure. The company also requires funds towards margin money for working capital credit facilities. Cash generation from the operations of the Company during the current year may not be adequate to meet the above funds requirement. Meeting the above funds requirements by way of additional borrowings would only lead to additional burden on the Company by way of interest and servicing of the borrowings.

Hence your directors propose to sell some portion of the shares held by it in The Ramco Cements Limited upto a limit of total sale price of ₹ 40 crores to fund the above requirements. They propose to sell the above shares to Rajapalayam Mills Limited and Ramco Industries Limited upto a value of ₹ 20 crores each.

None of the Directors and Key managerial personnel except Shri P.R.Venketrana Raja, Shri S.S.Ramachandra Raja, Shri N.K.Shrikantan Raja and Shri P.A.S.Alagar Raja being Directors in the above companies may be deemed to be concerned or interested in the above resolution.

Item No. 6

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost Auditor to audit the cost records of Company, relating to manufacture of Textile Products for the financial year 2018-19.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

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On the recommendation of the Audit Committee at its meeting held on 28.5.2018, the Board had approved the appointment of Shri M. Kannan, Cost Accountant as the Cost Auditor of the Company to audit the Company's Cost Records relating to manufacture of Textile Products at a remuneration of ₹ 66,000/- (Rupees Sixty six thousand only) plus applicable Service tax and out-of-pocket expenses for the financial year 2018-19.

The remuneration of the Cost Auditor is required to be ratified by the Members in accordance with the provisions of Section 148(3) of the Act and Rule 14 of the Rules.

The Directors recommend the Resolution to the Members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

By Order of the Board,
For SRI VISHNU SHANKAR MILL LIMITED,

RAJAPALAIYAM,
29th May, 2018.

P.R. VENKETRAMA RAJA
CHAIRMAN

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTICE

**ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT
THE ANNUAL GENERAL MEETING**

1. SMT. R. CHITTAMMAL

Smt. R. Chittammal, aged 81, has been on the Board of Sri Vishnu Shankar Mill Limited since 1997.

She holds 7,320 Equity Shares in the Company as on 31-03-2018.

She is also a Director in the following Companies:-

1. Chittammal Farms Private Limited
2. Rajapalayam Farms Private Limited
3. Sudarsana Farms Private Limited

She is also a Member in the following Committees:

Name of the Company	Name of the Committee	Position Held (Chairman/Member)
Sri Vishnu Shankar Mill Limited	Share Transfer Committee	Member

2. SHRI S. KANTHIMATHINATHAN

Shri S. Kanthimathinathan, aged 75 years has a Master Degree in Textile and Master Degree in Business Administration. He has been on the Board of Sri Vishnu Shankar Mill Limited since 2013.

He is also a Director in the following Companies:-

1. The Ramaraju Surgical Cotton Mills Limited
2. Thanjavur Spinning Mill Limited
3. Rajapalayam Textile Limited
4. Sandhya Spinning Mill Limited
5. Sri Harini Textiles Limited

He is also a Member in the following Committees:

Name of the Company	Name of the Committee	Position Held (Chairman/Member)
Sri Vishnu Shankar Mill Limited	Audit Committee	Member
Sri Vishnu Shankar Mill Limited	Nomination & Remuneration Committee	Member
Sandhya Spinning Mill Limited	Audit Committee	Member

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

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Name of the Company	Name of the Committee	Position Held (Chairman/Member)
Sandhya Spinning Mill Limited	Share Transfer Committee	Member
Sandhya Spinning Mill Limited	Nomination & Remuneration Committee	Member
Sandhya Spinning Mill Limited	Stakeholder Relationship Committee	Member
Sri Harini Textiles Limited	Share Transfer Committee	Member

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their 37th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2018.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2018 after charging all expenses but before deducting finance cost and depreciation have resulted in operating profit (EBITDA) of ₹ 2,580.36 Lakhs against ₹ 3,395.16 Lakhs for the previous financial year 2016-17.

After deducting ₹ 1,778.91 Lakhs towards finance cost and providing ₹ 1,030.93 Lakhs towards Depreciation, the Net Loss taking into account other comprehensive income / loss before tax for the year is ₹ 229.48 Lakhs, as compared to net profit of (including other comprehensive income / loss) ₹ 457.75 Lakhs for the previous financial year 2016-17. Considering the deferred tax assets / liability and the Income tax Act liability the net profit for the year is ₹ 28.81 Lakhs as against ₹ 177.37 Lakhs for the previous year.

2. SHARE CAPITAL

The Paid-up Capital of the Company is ₹ 150.00 Lakhs (Previous Year: ₹ 150.00 Lakhs) consisting of 15,00,000 Shares of ₹ 10/- each.

3. DIVIDEND

The Company has earned a net profit of ₹ 28.81 Lakhs for the year ended 31st March 2018. As per provisions of Section 123 of the Companies Act, 2013, the Company has to adjust the carried over previous year losses of ₹ 314.33 Lakhs set-off against the net profits of the Company for the year ended 31st March, 2018. Considering the above provisions, your Directors are unable to recommend any dividend for the current year.

4. TAXATION

The Company is not liable to pay income tax under regular provisions and Minimum Alternative Tax. An amount of ₹ 258.29 has been withdrawn from Deferred Tax liability provided in the earlier years which is in accordance with the Accounting Standards.

5. MANAGEMENT DISCUSSION AND ANALYSIS

TRADE CONDITIONS

- **COTTON**

In India, the plantation of cotton crop has increased to 123 Lakh hectares in the cotton year 2017-18 (October to September) as against 103 lakhs hectares in the same period

DIRECTORS' REPORT

of the last year. In spite of increase in acreage, the cotton prices have not come down due to pest attack and erratic monsoon rains. The quality of cotton was also not good during the initial cotton season. Most of the area in Maharashtra and Gujarat have hit badly by the pink bollworm attack and the cotton arrivals had been slowed down during peak cotton arrival season. The imported cotton provided no respite as the international cotton prices of all the varieties have continued to move upward. The increase in raw material prices has heavily impacted the manufacturing competitiveness of Indian Spinning Mills in the global market.

The price of comber noils, which is the raw material for Open Ended Spinning has also increased steeply due to more exports of noils from India. Because of this, the cost of cotton consumption has increased during the financial year 2017-18.

- **YARN PRODUCTION**

The Company is now focusing on production of customized, fine / super fine yarn to get better contribution as compared to coarser / medium fine counts produced during the last financial year 2016-17. Due to this, the production volume has decreased to 67.73 Lakhs Kgs during the financial year 2017-18 as against 72.11 Lakhs Kgs of last year.

- **SALE OF YARN**

The sale volume has decreased during the financial year 2017-18 and it was 67.71 Lakh Kgs as compared to 75.98 Lakh Kgs of last year. Also, the sale value of yarn has decreased from ₹ 204.79 Crores [FY 2016-17] to ₹ 202.76 Crores [FY 2017-18].

India's spinning sector had witnessed challenges on multiple fronts during the FY 2017-18. The implementation of GST in India with effect from 01-07-2017 had effected offtake of yarn during the first quarter of the financial year as many of customers focused on inventory clearance prior to GST. Post implementation of GST, the Government has reduced the export incentives to yarn as well as fabric and garment. On the other hand, imports of textiles and clothing from other countries into India have consistently increased by 20%. This has negatively affected the domestic yarn manufacturers as the consumption of yarn by fabric / garments manufacturers has come down sharply. This apart, cotton yarn exports have been under pressure on account of decline in demand from China. Out of total yarn exports from India, China accounted for more than 40% till last year, which has been reduced to 17% during FY 2017-18.

Due to subdued export demand and sluggishness in domestic market for yarn, the Company was not able to increase the yarn prices in line with the increase in raw material cost.

DIRECTORS' REPORT

These factors have affected the profitability of the company for the financial year 2017-18. The Company's focus on value addition, procuring superior quality of cotton, reducing the production of commodity counts and replacing the same with customized yarn counts has helped to mitigate the impact to some extent. The Company is able to attract more customers from overseas market and continues to have a good demand from export market on accounts of supply of superior and consistent quality of yarn. The investments made in value added machineries during the past years have given the ability to the company to customize its products in line with the requirements of its customers.

- **POWER COST**

During the financial year 2017-18, the Company was able to consume electricity from its own wind power to the extent of 60% of total power requirement as compared to 56% consumed from wind mills during the last year. Because of improved power generation from wind mills, the Company was able to reduce the power cost substantially as compared to previous financial year.

- **FINANCE COST**

The Finance cost has reduced from ₹1,778.91 Lakhs to ₹1,809.14 Lakhs, a decline of 1.67% mainly due to initiatives taken by the Company to reduce the cost of borrowings and repayment of Term Loans.

In spite of increased cotton cost and labour costs, the strategic decision taken by the Company to make investments in value added machines has helped to sustain the volume of sales in export/corporate customers and protected the margin.

6. EXPORTS

On the export front during the year, we have made export of Cotton Yarn (including merchant exports) for a value of ₹ 55.70 Crores as against ₹ 70.66 Crores of the previous year. In addition to our regular International market, we have established our presence in Turkey / Portugal also where quality is well appreciated and started to get regular orders from these segments.

7. MODERNISATION / EXPANSION

As a part of continuous thrust on modernization and expansion programme, the Company has invested about ₹12.36 Crores for investment in textile machinery & equipments like,

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

latest Auto Coner machines, Short stretch conversion, Comber machines, spindle monitoring system, etc.

8. PROSPECTS FOR THE CURRENT YEAR

This BT cotton, which brought white gold revolution to India, has been recently witnessing the incidents of bollworm attack. Due to uncertainty between US and China over trade tariffs, China may import more Indian cotton during the next cotton season. Hence the cotton prices are likely to remain firm on account of a tight supply situation and robust export demand. The Company has well defined system for monitoring demand and supply of required quality of cotton and also price movements in domestic and international markets. With the Company's expertise in judicial purchase of cotton, it will be able to procure high quality cotton with reasonable price.

The rising of textile imports due to the removal of countervailing duty and special additional duty post implementation of Goods and Services Tax (GST) is matter of concern for Indian Textile Industry. Although these duties have been replaced by Integrated Tax under GST regime, the importer can take credit of Integrated Tax which made the textile imports cheaper and posing a threat to domestic manufacturers.

The Company's efforts to increase the customers base across the globe for supply of value added super fine counts has stated yielding the result. The company is modernizing the machineries to further improve quality and cost effective production. Thrust is being given for producing value added counts, which is expected to fetch higher margin the forth coming years. With the flexibility to produce value added super fine counts, the Company will continue to make efforts in expanding the marketing activities across the globe to increase the profitability.

9. WIND MILL

The Company has wind mills with installed capacity of 13.35 MW for its captive power consumption. The wind farm has generated 254.42 Lakhs Kwh as compared to 243.38 Lakhs Kwh of the previous year.

There was a good wind velocity supported by good evacuation by Tamil Nadu Generation and Distribution Corporation (TANGEDCO) during the financial year 2017-18. All the Units generated by Wind mills were adjusted for captive consumption at our Mills in Tamil Nadu. The income during the year from the Wind Mill Division was ₹16.95 Crores as against ₹16.23 Crores of previous year.

10. ASSOCIATE COMPANY

The Company has 6 Associate Companies viz., M/s. The Ramco Cements Limited, M/s. Rajapalayam Mills Limited, M/s. The Ramaraju Surgical Cotton Mills Limited,

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

M/s. Ramco Windfarms Limited and M/s. Ontime Industrial Services Limited and M/s. JKR Enterprise Limited.

In accordance with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's Associates is attached in Form AOC-1 as Annexure -I.

CONSOLIDATED FINANCIAL STATEMENTS

As per provisions of Section 129(3) of the Companies Act, 2013, Companies are required to prepare consolidated financial statements of its Subsidiaries and Associates to be laid before the Annual General Meeting of the Company.

Accordingly, the consolidated financial statements incorporating the accounts of Associate Companies, viz. M/s. The Ramco Cements Limited, M/s. M/s. Rajapalayam Mills Limited, M/s. The Ramaraju Surgical Cotton Mills Limited, M/s. Ramco Windfarms Limited and M/s. Ontime Industrial Services Limited along with the Auditors' Report thereon, forms part of this Annual Report. Due to insignificant amount of investment (100 equity shares) in M/s. JKR Enterprise Limited, we have not considered for consolidated financial statement. As per section 136(1) of the Companies Act, 2013, the Financial Statements including Consolidated Financial Statements are available at the Company's website at the following link at <http://www.vishnushankarmill.co.in>.

The consolidated net profit of the Company amounted to ₹ 882.99 Lakhs for the year ended 31st March 2018 as compared to ₹ 1,345.21 Lakhs of the previous year.

11. INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements. ERP System developed by Ramco Systems Limited has been installed for online monitoring of all functions and management information reports are being used to have better internal control system and to take decisions in time.

12. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 the Company has established a Vigil Mechanism and has a Whistle Blower Policy.

DIRECTORS' REPORT

13. DIRECTORS

In accordance with the provision of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, the following Directors retire by rotation at the ensuing Annual General Meeting and they are eligible for re-appointment.

1. Smt. R. Chittammal, (DIN : 00380765)
2. Shri S. Kanthimathinathan (DIN: 01124581)

The Independent Directors hold office for a fixed term of 5 years and are not liable to retire by rotation. No independent Director has retired during the year.

Pursuant to Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014, it is reported that, other than the above, there have been no changes in the Directors or Key Managerial Personnel during the year under review.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Audit Committee has three members, out of which two are Independent Directors. Pursuant to Section 177 (8) of the Companies Act, 2013, it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

In accordance with Section 178 (3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved a policy, relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees.

14. EVALUATION OF BOARD

Pursuant to Section 134(3)(p) of the Companies Act, 2013, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, performance of the Board as a whole, its committee and its Members and other required matters. The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Directors at the Board Meeting, which shall be taken into account at the time of reappointment of Independent Director.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

15. MEETINGS

MEETINGS OF THE BOARD

During the year, under review, four minutes of the Board Meetings were held, one each on 25-05-2017, 04-06-2017, 09-08-2017, 11-11-2017 & 30-01-2018.

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sl. No.	Name of the Director	Directorship	No. of Meetings attended	Attendance at Last AGM
1.	Shri P.R. Venketrama Raja	Chairman	5	Yes
2.	Smt. S. Sharada Deepa	Managing Director	4	Yes
3.	Shri S.S. Ramachandra Raja	Director	5	Yes
4.	Smt. R. Chittammal	Director	5	Yes
5.	Shri S.R. Srirama Raja	Director	5	Yes
6.	Shri N.K. Shrikantan Raja	Director	5	Yes
7.	Shri Arunkumar Goenka	Director	1	No
8.	Shri S. Kanthimathinathan	Director	5	Yes
9.	Shri P.A.S. Alaghar Raja	Director	5	Yes

MEETING OF THE COMMITTEES

AUDIT COMMITTEE

The composition of the Audit Committee and attendance of each Member at the Audit Committee Meetings held during the year as follows:

Sl. No.	Name of the Director	Directorship	No. of Meetings attended
1.	Shri N.K. Shrikantan Raja	Chairman	4
2.	Shri S. Kanthimathinathan	Member	4
3.	Shri P.A.S. Alaghar Raja	Member	4

No. of meeting held during the year: 4

Date of Meeting: 24-05-2017, 08-08-2017, 10-11-2017 & 30-01-2018

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

SHARE TRANSFER COMMITTEE

The composition of the Share Transfer Committee and attendance of each Member at the Share Transfer Committee Meetings held during the year as follows:

Sl. No.	Name of the Director	Directorship	No. of Meetings attended
1.	Shri S.S. Ramachandra Raja	Chairman	5
2.	Smt. R. Chittammal	Member	5
3.	Shri N.K. Shrikantan Raja	Member	5

No. of meeting held during the year: 5

Date of Meeting: 05-05-2017, 14-06-2017, 27-09-2017, 03-01-2018 & 28-03-2018.

NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee and attendance of each Member at the Nomination and Remuneration Committee Meetings held during the year as follows:

Sl. No.	Name of the Director	Directorship	No. of Meetings attended
1.	Shri N.K. Shrikantan Raja	Chairman	1
2.	Shri S. Kanthimathinathan	Member	1
3.	Shri P.A.S. Alaghar raja	Member	1

No. of meeting held during the year: 1

Date of Meeting: 24-05-2017.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The composition of the Corporate Social Responsibility Committee and attendance of each Member at the Corporate Social Responsibility Committee Meetings held during the year as follows:

Sl. No.	Name of the Director	Directorship	No. of Meetings attended
1.	Shri P.R. Venketrama Raja	Chairman	N.A
2.	Shri S.S. Ramachandra Raja	Member	1
3.	Shri N.K. Shrikantan Raja	Member	1

No. of meeting held during the year: 1

Date of Meeting: 24-05-2017

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

INDEPENDENT DIRECTORS COMMITTEE

The composition of the Independent Directors Committee and attendance of each Member at the Independent Directors Committee Meetings held during the year as follows:

Sl. No.	Name of the Director	Directorship	No. of Meetings attended
1.	Shri N.K. Shrikantan Raja	Chairman	1
2.	Shri P.A.S. Alaghar Raja	Member	1

No. of meeting held during the year: 1

Date of Meeting: 30-01-2018

16. PUBLIC DEPOSITS

Pursuant to Rule 8(5)(v)& (vi) of Companies (Accounts) Rules, 2014, it is reported that the Company has not accepted any deposit from public during the financial year under review. There has been no default in the repayment of deposits/payment of interest thereon during the year. The Company has no deposit, which is not in compliance with the Chapter V of the Companies Act. 2013.

The Company has received a sum of ₹1,623.32 Lakhs from Directors as deposit / loan during the financial year 2017-18. It has repaid an amount of ₹1,508.75 Lakhs during the year 2017-18.

17. ORDERS PASSED BY REGULATORS

Pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 2014, it is reported that, no significant and material orders have been passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future.

18. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186(4) of the Companies Act, 2013, it is reported that:

- (a) the Company has not given any loans during the year 2017-18 under Section 186 of the Companies Act, 2013.
- (b) the particulars of the investments are provided under Note No. 8 respective of Notes forming part of financial statements.

19. CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy which is based on the philosophy that "As the Organization grows, the Society and Community around it also grows."

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

Your Directors are pleased to inform that the Company has fulfilled its CSR obligations pursuant to Section 135(5) of the Companies Act, 2013. As against the requirement of ₹ 0.94 lakhs, the Company has spent ₹ 2.67 lakhs on CSR during the year 2017-18.

The CSR policy is available at the Company's website at the following link at <http://www.vishnushankarmill.co.in>.

The Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as Annexure - V.

20. AUDITS

STATUTORY AUDIT

M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants is Statutory Auditors of the Company.

At the 36rd Annual General Meeting, the above Auditors have been appointed as statutory auditors for a period of 5 consecutive years financial years commencing from the financial year 2017-18 and to hold office from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting to be held in the year 2022.

The Auditors have confirmed their eligibility for their re-appointment, under Section 141 of the Companies Act, 2013.

The report of the Statutory Auditors for the year ended 31st March, 2018 does not contain any qualification, reservation or adverse remark and no instance of fraud has been reported by Auditors under Section 143(12) of Companies Act, 2013.

COST AUDIT

As per notification dated 31-12-2014 issued by MCA under the Companies (Cost Records and Audit) Rules, 2014, Textile Mills are required to file cost audit report with effect from the financial year 2015-16.

The Board of Directors had approved the appointment of Shri M. Kannan, Cost Accountant as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of textile products for the year 2018-19.

The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter is being placed before the Members for ratification

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

at the ensuing Annual General Meeting. The Cost Audit Report for the financial year 2016-17 due to be filed with Ministry of Corporate Affairs by 30-09-2017 had been filed on 05-09-2017.

The Cost Audit Report for the financial year 2017-18 is due to be filed within 180 days from the closure of the financial year and will be filed within the stipulated period.

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

Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as Annexure - III.

22. EXTRACT OF ANNUAL RETURN

In Accordance with Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is attached herewith as Annexure - IV.

23. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosures in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration are provided in Annexure-II.

24. INDUSTRIAL RELATIONS AND PERSONNEL

The Company has 1,313 employees as on 31-03-2018. Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus. The emphasis was on imparting training and development of the skill-set of the employees to enable them to face the challenges in the work environment.

25. RELATED PARTY TRANSACTION

Prior approval/omnibus approval is obtained from the Audit Committee for all related party transaction and the transactions are periodically placed before the Audit Committee for its approval. No transaction with the related party is material in nature, in accordance with Company's "Related Party Transaction Policy". In accordance with Indian Accounting Standard - 24 (Related Party Disclosure), the details of transactions with the related parties are set out in Note No: 40(a) of disclosures forming part of Financial Statements.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

DIRECTORS' REPORT

26. RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has developed and implemented a Risk Management Policy. The Policy envisages identification of risk and procedures for assessment and minimization of risk thereof.

27. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- (a) they had followed the applicable accounting standards along with proper explanation relating to material departures, if any, in the preparation of the annual accounts for the year ended 31st March 2018;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2018 and of the profit and loss of the Company for the year ended on that date;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the Annual Accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Financial Institutions and Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

On behalf of the Board of Directors,
For SRI VISHNU SHANKAR MILL LIMITED,

RAJAPALAIYAM,
29th May, 2018.

P.R. VENKETRAMA RAJA
CHAIRMAN

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE I TO DIRECTORS' REPORT

Form AOC-1

[Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

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

PART A - SUBSIDIARY COMPANY

The Company has no Subsidiary Company and hence the disclosure requirement as per Part A is not applicable.

PART B - ASSOCIATE COMPANY

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Particulars	2017-18					
	The Ramco Cements Limited	Rajapalayam Mills Limited	The Ramaraju Surgical Cotton Mills Limited	Ramco Windfarms Limited	Ontime Industrial Services Limited	JKR Enterprise Limited
Last audited Balance Sheet date	31-03-2018					Not Applicable
Date on which Associate was associated / Acquired	01-04-2016	01-04-2016	01-04-2016	01-04-2016	01-04-2016	01-04-2016
No. of Shares held as on 31 st March, 2018	38,83,200	29,740	2,200	6,15,000	26,350	100
Amount of Investment in Associate as on 31-03-2018 (₹ in Lakhs)	24.07	8.76	0.36	6.15	2.64	0.001
Extent of Shareholding % as on 31-03-2018	1.65	0.40	0.06	6.15	9.36	0.0001
Description of how there is significant influence	Note (1)					
Reason why Associate is not consolidated	Not applicable					Due to insignificant amount of investment
Net worth attributable to Shareholding (₹ in Lakhs)	4,10,828.00	1,60,108.38	21,714.94	1,131.91	833.37	Not Applicable
Profit / Loss for the Year (Consolidated) (₹ in Lakhs)	55,066.00	3,820.58	788.42	454.29	48.84	Not Applicable
a) Considered in Consolidation (₹ in Lakhs)	938.71	15.66	0.44	12.49	4.57	Not Applicable
b) Not considered in Consolidation (₹ in Lakhs)	54,127.29	3,804.92	787.98	441.80	44.27	Not Applicable

Note: 1) There is significant influence, because of shareholding / common directors.

2) Names of associates or joint ventures which are yet to commence operations - NIL

3) Names of associates or joint ventures which have been liquidated or sold during the year - NIL

On behalf of the Board of Directors,
For SRI VISHNU SHANKAR MILL LIMITED,

RAJAPALAIYAM,
29th May, 2018.

P.R. VENKETRAMA RAJA
CHAIRMAN

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE II TO DIRECTORS' REPORT

DISCLOSURE RELATING TO REMUNERATION UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Particulars of Top 10 employees in the terms of remuneration drawn and Particulars of Employees Employed throughout the financial year 2017-18 and were in receipt of remuneration in the aggregate of not less than ₹ 102 Lakhs.

Sl. No.	Name	Age (Yrs)	Designation	Remuneration Paid / Payable ₹ in lakhs	Qualification and experience (Years)	Date of Commencement of employment	Last Employment
1	Smt. S. Sharada Deepa	52	Managing Director	203.10	B.E. (13)	31-01-2005	-
2	Shri V. Gurusamy	60	CGM - Finance cum Secretary	28.24	B.Com., ACS FCA (34)	08-03-1984	-
3	Shri D. Raviraja	52	Senior General Manager Works	17.19	DTT (34)	23-08-2007	Standard Spinning Mills
4	Shri S. Thangam	56	DGM - Cotton	10.15	B.Com., (26)	01-08-1991	-
5	Shri J.K. Prakash Peter	46	DGM - Customer Service	7.85	DTT (23)	07-11-1994	-
7	Shri Hariharasubramanian S.	57	Sales Manager	7.69	B.Sc., DMM (34)	02-03-1984	-
6	Shri Ravi G.	36	Manager - Marketing	7.64	B.Tech (7)	18-08-2016	Shakthi Cords Private Limited
8	Shri Velmurugan P.	46	Chief Manager - Production	7.37	DTT (26)	11-06-2013	Madura Coats Limited
9	Shri Vadapathiran R.	58	Dy. Manager - Accounts	7.01	M.Com, (32)	01-01-1986	-
10	Shri Subramanian P.K.	59	Dy. Manager - HR	6.62	M.A. (34)	02-03-1984	-

NOTE: 1. The Managing Director's employment is contractual.

2. Remuneration includes Salary, Medical Reimbursement Company's contribution to Provident Fund and Superannuation Fund, but does not include Provision for Gratuity and Leave encashment.
3. None of the employees mentioned above is related to any Director of the company except Smt. S. Sharada Deepa, Managing Director who is related to Shri P.R. Venketrama Raja, Chairman, Shri S.R. Srirama Raja, Director, Shri S.S. Ramachandra Raja, Director and Smt. R.Chittammal, Director.

On behalf of the Board of Directors,
For SRI VISHNU SHANKAR MILL LIMITED,

RAJAPALAIYAM,
29th May, 2018.

P.R. VENKETRAMA RAJA
CHAIRMAN

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

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

*[Pursuant to Section 134(3)(m) of the Companies Act, 2013
read with Rule 8(3) of Companies (Accounts) Rules 2014]*

A. CONSERVATION OF ENERGY

The Company pays attention at all levels to reduce energy consumption, by continuous monitoring maintenance and improvements.

- (i) the steps taken or impact on conservation : NIL
- (ii) The steps taken by the company for utilizing alternate sources of energy : NIL
- (iii) The capital investment on energy Conservation equipments : NIL

B. TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution
 - : i) The Company has installed the latest 5 Nos of Saurer Auto coner machines to improve quality of yarn for Corporate customers.
 - ii) The Company has installed Individual Spinning Monitoring system for all ring frames to improve the yarn realization by means to reduce pneumafil spinning waste.
 - iii) The Company has installed short stretch angle conversion in all ring frames to improve efficiency.
 - iv) The Company has installed 2 Nos of Comber machines to increase the Corporate customer orders.
- (ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - (a) The details of technology imported; : NIL
 - (b) The year of import; : NIL

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE III TO DIRECTORS' REPORT

- (c) Whether the technology been fully absorbed; : Not Applicable
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and : Not Applicable
- (iii) the expenditure incurred on Research and Development : Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and : ₹ 3,584.00 Lakhs

The Foreign Exchange outgo during the year in terms of actual outflows. : ₹ 7,952.55 Lakhs

On behalf of the Board of Directors,
For SRI VISHNU SHANKAR MILL LIMITED,

P.R. VENKETRAMA RAJA
CHAIRMAN

RAJAPALAIYAM,
29th May, 2018.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS REPORT

Form MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

CIN	U17301TN1981PLC008677
Registration Date	23-03-1981
Name of the Company	SRI VISHNU SHANKAR MILL LIMITED
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered office and Contact details	Sri Vishnu Shankar Mill Premises, P.A.C. Ramasamy Raja Salai, Post Box No.109, Rajapalaiyam, Tamilnadu, Pin: 626 117.
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	M/s. Cameo Corporate Services Limited, Subramaniapuram Building, No.1. Club House Road, Chennai - 600 002.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
Yarn	13111	96.97%

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS REPORT

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1. The Ramco Cements Limited "Ramamandiram", Rajapalayam - 626117. Tamilnadu.	L26941TN1957 PLC003566	Associate	1.65%	2 (6)
2. Rajapalayam Mills Limited Post Box No.1, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626117. Tamilnadu	L17111TN1936 PLC002298	Associate	0.40%	2 (6)
3. The Ramaraju Surgical Cotton Mills Limited Post Box No. 2, 119, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626117. Tamilnadu	U17111TN1939 PLC002302	Associate	0.06%	2 (6)
4. Ramco Windfarms Limited Auras Corporate Centre, 98-A, Dr Radhakrishnan Salai, V Floor, Mylapore, Chennai - 600 004.	U40109TN2013 PLC093905	Associate	6.15%	2 (6)
5. Overtime Industrial Services Limited 47, P.S.K. Nagar Rajapalayam - 626108. Tamilnadu	U74999TN2002 PLC048773	Associate	9.36%	2 (6)
6 JKR Enterprise Limited, 39/17, Bishop Garden, R.A.Puram, Chennai - 600 028. Tamilnadu.	U55101TN2009 PLC073737	Associate	0.0001%	2(6)

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS REPORT

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-Wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/ Hindu Undivided Family	-	8,66,920	8,66,920	57.80	-	8,66,920	8,66,920	57.80	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	51,700	51,700	3.45	-	51,700	51,700	3.45	-
e) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
f) Any Others...	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	-	9,18,620	9,18,620	61.25	-	9,18,620	9,18,620	61.25	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	-	9,18,620	9,18,620	61.25	-	9,18,620	9,18,620	61.25	-

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS REPORT

i) Category-Wise Share Holding - (contd.)

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
B (2) Non-Institutions									
a) Bodies Corporate									
i) Indian	-	8,820	8,820	0.59	-	8,820	8,820	0.59	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	-	5,57,120	5,57,120	37.14	-	5,57,120	5,57,120	37.14	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	-	15,440	15,440	1.02	-	15,440	15,440	1.02	-
c) Others (specify)									
Sub-Total (B)(2)	-	5,81,380	5,81,380	38.75	-	5,81,380	5,81,380	38.75	-
B Total Public Shareholding (B) = (B)(1) + (B)(2)	-	5,81,380	5,81,380	38.75	-	5,81,380	5,81,380	38.75	-
C Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A) + (B) + (C)	-	15,00,000	15,00,000	100.00	-	15,00,000	15,00,000	100.00	-

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS REPORT

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Shri P.R. Ramasubrahmaneya Rajha	2,12,280	14.15	-	-	-	-	(14.15)
2	Shri P.R. Venketrama Raja	48,000	3.20	-	48,000	3.20	-	-
3	Smt. R. Sudarsanam	81,000	5.40	-	81,000	5.40	-	-
4	Sri S.S. Ramachandra Raja	2,660	0.18	-	2,660	0.18	-	-
5	Smt. R. Chittammal	7,320	0.49	-	7,320	0.49	-	-
6	Smt. Nalina Ramalakshmi	29,000	1.93	-	29,000	1.93	-	-
7	Smt. S. Sharadha Deepa	4,68,000	31.20	-	6,80,280	45.35	-	14.15
8	Smt. B. Srisandhya Raju	16,000	1.07	-	16,000	1.07	-	-
9	Shri S.R. Srirama Raja	2,660	0.18	-	2,660	0.18	-	-
10	The Ramco Cements Limited	2,100	0.14	-	2,100	0.14	-	-
11	The Ramaraju Surgical Cotton Mills Limited	11,200	0.75	-	11,200	0.75	-	-
12	Rajapalayam Mills Limited	38,400	2.56	-	38,400	2.56	-	-
	Total	9,18,620	61.25	-	9,18,620	61.25	-	-

(iii) Change in Promoters' Shareholding

Sl. No.	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
	No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	9,18,620	61.25	01-04-2017	Nil	Nil	Nil	Nil
	9,18,620	61.25	31-03-2018				

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS REPORT

(iv) Shareholding Pattern of top ten Shareholders (other than Directors and Promoters):

Sl. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Smt. R. Sakuntala	15,440	1.02	01-04-2017	-	-	15,440	1.02
2.	Shri K. Kumaran	9,990	0.67	01-04-2017	-	-	9,990	0.67
3.	Smt. J. Sethulakshmi	8,980	0.60	01-04-2017	-	-	8,980	0.60
4.	Smt. A. Rathinamala	8,240	0.55	01-04-2017	-	-	8,240	0.55
5.	Smt. Anne B.Thangasamy	7,720	0.51	01-04-2017	-	-	7,720	0.51
6.	Smt. A. Ramalakshmi	7,320	0.49	01-04-2017	-	-	7,320	0.49
7.	Shri P.S.Jaganatha Raja	7,180	0.48	01-04-2017	-	-	7,180	0.48
8.	Miss V. Poorna Pushkalambal	6,660	0.44	01-04-2017	-	-	6,660	0.44
9.	Shri Madhav Prasad Goenka	5,320	0.35	01-04-2017	-	-	5,320	0.35
10.	Smt. Gayatri Devi Goenka	5,320	0.35	01-04-2017	-	-	5,320	0.35

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS REPORT

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Shri P.R. Ramasubrahmaneya Rajha	2,12,280	14.15	N.A.	(2,12,280)	Transmission of Shares	-	-
2.	Shri P.R. Venketrana Raja	48,000	3.20	N.A.	N.A.	N.A.	48,000	3.20
3.	Smt. S. Sharada Deepa	4,68,000	31.20	14-06-2017	2,12,280	Transmission of Shares	6,80,280	45.35
4.	Shri S.S. Ramachandra Raja	2,660	0.18	N.A.	N.A.	N.A.	2,660	0.18
5.	Smt. R. Chittammal	7,320	0.49	N.A.	N.A.	N.A.	7,320	0.49
6.	Shri N.K. Shrikantan Raja	3,060	0.20	N.A.	N.A.	N.A.	3,060	0.20
7.	Shri S.R. Srirama Raja	,2,660	0.18	N.A.	N.A.	N.A.	,2,660	0.18
8.	Shri Arunkumar Goenka	5,320	0.36	N.A.	N.A.	N.A.	5,320	0.36
9.	Shri P.A.S. Alaghar Raja	660	0.04	N.A.	N.A.	N.A.	660	0.04
10.	Shri S. Kanthimathinathan	Nil	Nil	N.A.	N.A.	N.A.	Nil	Nil
11.	Shri V. Gurusamy	Nil	Nil	N.A.	N.A.	N.A.	Nil	Nil

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
ANNEXURE IV TO DIRECTORS REPORT

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment
 (₹ in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the financial year				
i) Principal Amount	21,392	869	–	22,261
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	29	–	–	29
Total (i + ii + iii)	21,421	869	–	22,290
Change in Indebtedness during the financial year				
Addition	56,154	5,101	–	61,255
Reduction	57,721	2,550	–	60,271
Net Change	(1,567)	2,551	–	984
Indebtedness at the end of the financial year				
i) Principal Amount	19,828	3,420	–	23,248
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	26	–	–	26
Total (i + ii + iii)	19,854	3,420	–	23,274

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Smt. S. Sharada Deepa Managing Director	Total Amount (₹ in lakhs)
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	180.00	180.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	-	-
	Sitting Fees	0.60	0.60
5	Contribution to Provident Fund	21.60	21.60
	Contribution to Superannuation Fund	1.50	1.50
	Total	203.70	203.70
	Ceiling as per Act	As per Rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, unlisted companies are permitted to pay remunerations to its managerial personnel, in the event of no profit or inadequate profit beyond ceiling specified in Section II, Part II of Schedule V, if the Resolution passed by the Shareholders is a Special Resolution and the remuneration approved is for a period not exceeding 3 years. She is also entitled for sitting fees for attending Board Meetings / Committee Meetings in addition to the above.	

B. REMUNERATION TO OTHER DIRECTORS:

1. Independent Director

Sl. No.	Particulars of Remuneration	Shri N.K. Shrikantan Raja	Shri P.A.S. Alaghar Raja	Total Amount (₹ in lakhs)
1	Fees for attending board / committee meetings	2.55	1.65	4.20
2	Commission	-	-	-
3	Others please specify	-	-	-
	Total (1)	2.55	1.65	4.20

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE IV TO DIRECTORS REPORT

2. Other Non-Executive Directors

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri P.R. Venketrama Raja	Shri S.S. Rama chandra Raja	Smt. R. Chittammal	Shri S.R. Srirama Raja	Shri Arun kumar Goenka	Shri S. Kanthimathi nathan	
1.	Fee for attending board committee meetings	0.75	1.65	1.50	0.75	0.15	1.50	6.30
2.	Commission	-	-	-	-	-	-	-
3.	Others	-	-	-	-	-	-	-
	Total (2)	0.75	1.65	1.50	0.75	0.15	1.50	6.30
	Total B (1) + (2)							10.50
	Total Managerial Remuneration (A+B)							214.20

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Shri V. Gurusamy Chief G.M. (F) cum Secretary	
1	Gross salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	28.23	28.23
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under Section17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- Others, specify	-	-
5	Others	-	-
	Total	28.23	28.23

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
ANNEXURE IV TO DIRECTORS REPORT

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/NCLT / COURT)	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding			NIL		
B. DIRECTORS Penalty Punishment Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			NIL		

By Order of the Board,
For SRI VISHNU SHANKAR MILL LIMITED,

RAJAPALAIYAM,
29th May, 2018.

P.R.VENKETRAMA RAJA
CHAIRMAN

ANNEXURE V TO DIRECTORS REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

The objective of the CSR Policy is:

- a. To ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- b. To directly or indirectly take up programmes that benefit the communities in & around its work locations and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- c. To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.

Web link to the CSR Policy: <http://www.vishnushankarmill.co.in>

2. The Composition of the CSR Committee:

- a. Shri P.R. Venketrama Raja, Chairman of the Committee
- b. Shri S.S. Ramachandra Raja, Member
- c. Shri N.K. Shrikantan Raja, Member

3. Average Net Profit of the Company for last three financial years ₹ 46.96 Lakhs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) ₹ 0.94 Lakhs.

5. Details of CSR spent during the financial year:

- a. Total amount spent for the financial year : ₹ 2.67 Lakhs
- b. Amount unspent, if any : Nil

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

ANNEXURE V TO DIRECTORS REPORT

c. Manner in which the amount spent during the financial year is detailed below: (₹ in lakhs)

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount Outlay (Budget) Project or Programs wise-	Amount Spent on the Project or Programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative Expenditure upto reporting period	Amount Spent Direct or through implementing Agency
1.	Eradicating Hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of Sanitation and making available safe drinking water [Clause (i)]	Eradiction of Hunger and Promotion of Healthcare including Preventive Healthcare	Tirunelveli & Virudhunagar District (Tamil Nadu)	0.52	0.52	0.52	0.52
2.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga. [Clause (iv)]	Ensuring Environmental Sustainability	Virudhunagar District (Tamil Nadu)	0.75	0.75	0.75	0.75
3.	Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic Sports	Promotion of nationally recognized sports	Chennai (Tamil Nadu)	1.40	1.40	1.40	1.40
	TOTAL			2.67	2.67	2.67	2.67

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in Compliance with CSR objectives and Policy of the Company.

P.R.VENKETRAMA RAJA
CHAIRMAN

SMT. SHARADA DEEPA
MANAGING DIRECTOR

RAJAPALAIYAM,
29th May, 2018.

SEPARATE FINANCIAL STATEMENTS

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

INDEPENDENT AUDITOR'S REPORT

To the Members of Sri Vishnu Shankar Mill Limited

Report on the Separate Financial Statements

We have audited the accompanying Separate financial statements drawn in accordance with the Indian Accounting Standards ("the Financial Statements"), of Sri Vishnu Shankar Mill Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flow and the Statement of Changes in Equity for the year ended on 31st March 2018 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of the Financial Statements that give a true and fair view of the financial position, Financial Performance (including Other Comprehensive Income), Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Separate Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Separate Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Separate Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Separate Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Separate Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Separate Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Separate Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the state of affairs (financial position) of the Company as at 31st March 2018, its Profit (financial performance including Other Comprehensive Income), Cash Flows and its Changes in Equity for the year ended on 31st March 2018.

The comparative financial information of the Company for the year ended March 31, 2017 are based on the previously issued separate financial statements audited by N.A. Jayaraman & Co., Chartered Accountants, the predecessor auditors, whose report for the year ended March 31, 2017 dated 25th May, 2017 expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

- c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid Separate Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the Directors as on 31st March 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The details of the pending litigations and its impact on the Financial Statements have been disclosed in Note No. 38(iii) of the 'Notes forming part of Separate Financial Statements' for the year ended 31st March 2018;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M.S.JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration Number: 001208S

K SRINIVASAN
Partner
Membership No. 21510

RAJAPALAIYAM,
29th May, 2018.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT - 31ST MARCH, 2018

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed during such verification.
 - (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
- (ii) The Management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on verification between the physical stocks and the book records were properly dealtwith in the books of account and were not material.
- (iii) The Company has not granted loans to body corporate covered in register maintained under Section 189 of the Companies Act, 2013 (The Act). Accordingly para(iii) of the order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central government under sub sec(1) of 148 of the Companies Act, 2013 as specified maintenance of cost records for the Company and such accounts and records have been made and maintained by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company. The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Services Tax and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the Provident Fund, Income tax, Sales tax, Service tax, duty of customs, duty of excise, Value added tax, Cess and other statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues of value added tax has not been deposited by the Company on account of disputes:

Name of the Statute	Forum where dispute is pending	Amount (₹ in Lakhs)
Value Added Tax	Joint Commissioner (Commercial Tax - Appellate), Tirunelveli	33.31

- (viii) The Company has not defaulted in repayment of loans or borrowings to Financial Institutions or Banks. The company did have any loans or borrowings from the Government or borrowing by way of debentures.
- (ix) The Company did not raise any money by way of initial public offer (including debt instruments). The monies raise by the way of term loans were applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanation given to us the Company is not a Nidhi Company accordingly para 3 of subclause (xii) not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company transactions with the related parties are incompliance with Section 177 and 188 of the Act where applicable and the details of such related parties transaction have been disclosed in the separate Financial Statements as required by the applicable Accounting Standards.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

- (xiv) According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, the paragraph 3 (xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For M.S.JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration Number: 001208S

K SRINIVASAN
Partner
Membership No. 21510

RAJAPALAIYAM,
29th May, 2018.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

**"Annexure B" to the Independent Auditor's Report of even date on the
Financial Statements prepared in accordance with Indian Accounting Standards of
Sri Vishnu Shankar Mill Limited.**

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

We have audited the internal financial controls over financial reporting of Sri Vishnu Shankar Mill Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the separate Ind AS Financial Statements of the Company for the year ended on 31st March 2018.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M.S.JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration Number: 001208S

K SRINIVASAN
Partner
Membership No. 21510

RAJAPALAIYAM,
29th May, 2018.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

BALANCE SHEET AS AT 31ST MARCH 2018

(₹ in Lakhs)

	Note No.	As at 31-03-2018	As at 31-03-2017	
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	5	12,976.84	12,888.84	
(b) Capital Work-in-progress		54.55	20.19	
(c) Intangible Assets	5	3.23	8.16	
(d) Investment Property	6	197.40	200.38	
(e) Investment in Associates	7	836.98	835.38	
(f) Financial Assets				
Other Investment	7	0.44	0.55	
Other Financial Assets	8	435.63	502.84	
(g) Other Non-Current Assets	9	4.03	4.03	14,460.37
(2) Current Assets				
(a) Inventories	10	6,350.47	6,779.20	
(b) Financial Assets				
Trade Receivables	11	3,126.45	2,177.16	
Cash and Cash Equivalents	12	75.26	357.12	
Bank Balance other than Cash and Cash Equivalents	13	3.61	4.36	
Other Financial Assets	14	12.00	12.00	
(c) Loans and Advances	15	1,875.12	1,705.88	
(d) Tax Assets				
Other Current Assets	16	310.95	310.04	11,345.76
TOTAL ASSETS		26,262.96	25,806.13	
EQUITY & LIABILITIES				
(1) Equity				
(a) Equity Share Capital	17	150.00	150.00	
(b) Other Equity	18	1,240.97	1,212.16	
Total Equity		1,390.97		1,362.16
(2) Liabilities				
A) Non Current Liabilities				
(a) Financial Liabilities				
Borrowings	19	7,480.66	8,371.64	
(b) Provisions	20	151.04	142.03	
(c) Deferred Income	21	48.72	51.40	
(d) Deferred Tax Liabilities (Net)	22	616.03	874.32	9,439.39
B) Current Liabilities				
(a) Financial Liabilities				
Borrowings	23	11,853.73	10,447.16	
Trade Payables	24	121.43	179.90	
Other Financial Liabilities	25	4,135.57	3,933.65	
(b) Provisions	26	225.50	201.72	
(c) Liabilities for Current Tax	27	239.31	242.15	15,004.58
TOTAL EQUITY AND LIABILITIES		26,262.96	25,806.13	
Significant Accounting Policies, Judgements and Estimates	1-3			
See accompanying notes to the financial statements.	4-45			

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
K. SRINIVASAN
Partner,
Membership No. 21510
Rajapalaiyam,
29th May, 2018.

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. SHARADA DEEPA
MANAGING DIRECTOR

V. GURUSAMY
CHIEF GENERAL MANAGER (FINANCE)
CUM SECRETARY

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018

(₹ in Lakhs)

	Note No.	For the year ended 31-03-2018	For the year ended 31-03-2017
REVENUE			
I	28	21,295.21	21,042.82
II	29	118.35	158.26
III	30	147.87	72.42
IV		<u>21,561.43</u>	<u>21,273.50</u>
EXPENSES			
	31	11,804.72	11,028.03
		839.56	627.68
	32	(281.20)	(205.15)
	33	2,173.72	2,168.51
	34	1,778.91	1,809.14
	35	1,030.93	1,028.27
	36	4,412.87	4,329.32
V		<u>21,759.51</u>	<u>20,785.80</u>
VI		(198.08)	487.70
VII			
		-	99.50
		-	57.24
		(249.55)	129.99
		<u>(249.55)</u>	<u>286.73</u>
VIII		<u>51.47</u>	<u>200.97</u>
IX			
		(31.40)	(29.95)
		-	-
		-	6.35
		8.74	-
		<u>(22.66)</u>	<u>(23.60)</u>
X		<u>28.81</u>	<u>177.37</u>
XI			
		3.43	13.40
	1-3		
	4-45		

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
K. SRINIVASAN
Partner,
Membership No. 21510
Rajapalaiyam,
29th May, 2018.

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. SHARADA DEEPA
MANAGING DIRECTOR

V. GURUSAMY
CHIEF GENERAL MANAGER (FINANCE)
CUM SECRETARY

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2018

(₹ in Lakhs)

2017-18 2016-17

A. Cash Flow from Operating Activities:

Profit / (Loss) before Tax	(198.08)	487.70
Adjustments for:		
Depreciation & Amortisation	1,030.93	1,028.27
Finance Cost	1,778.91	1,809.14
Interest Income	(118.35)	(158.26)
Dividend Income	(117.70)	–
Rent Receipts from Investment Property	(3.82)	(3.94)
Profit on Sale of Assets	(0.44)	(0.91)
Fair Value movement on Forward Contracts	(151.11)	110.29
Operating Profit before Working Capital Changes	2,220.34	3,272.29
Adjustments for:		
Gratuity and Government Grants	(34.08)	(32.62)
Trade Receivables	(949.29)	(676.05)
Loans and Advances	(102.03)	(744.05)
Inventories	428.73	(1,610.18)
Trade Payables & Current liabilities	(143.65)	238.76
Cash generated from Operations	1,420.02	448.14
Direct Taxes Paid	(3.75)	(137.65)
Net Cash generated from Operating Activities	A 1,416.27	310.49

B. Cash Flow from Investing Activities:

Purchase of Fixed Assets (Including Capital work-in-progress)	(1,270.26)	(458.76)
Investments in Equity Shares of Associates	(1.60)	1.20
Proceeds from Sale of Investments in Equity Shares - Others	0.11	–
Proceeds from Sale of Assets / Investment Property	125.32	85.74
Interest Received	118.35	158.26
Dividend Received	117.70	–
Rent Receipts	3.82	3.94
Net Cash used in Investing Activities	B (906.56)	(209.62)

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2018

(₹ in Lakhs)

2017-18 2016-17

C. Cash Flow from Financing Activities:

Proceeds from Long Term Borrowings	3,493.02	2,632.50
Repayment of Long Term Loan	(3,913.00)	(3,442.00)
Availment / (Repayment) of Short Term Borrowings (Net)	1,406.57	2,783.09
Interest Paid	(1,778.91)	(1,809.14)
Net cash used in Financing Activities	C (792.32)	164.45
Net Increase / (Decrease) in Cash and Cash Equivalents	D = (A+B+C) (282.61)	265.32
Opening balance of Cash and Cash Equivalents	E 361.48	96.16
Closing balance of Cash and Cash Equivalents	D + E 78.87	361.48

Notes:

- (i) The above Statement of Cash Flow has been prepared under 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flow.
- (ii) Bank Borrowings including Cash Credits are considered as Financing Activities.
- (iii) For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprise the following:

Particulars	31-03-2018	31-03-2017
Cash and Cash Equivalents [Refer to Note No.12]	75.26	357.12
Bank Balances other than Cash and Cash Equivalents [Refer to Note No.13]	3.61	4.36
	78.87	361.48

See accompanying notes to the financial statements [Refer to No. 4 to 45]

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
K. SRINIVASAN
Partner,
Membership No. 21510
Rajapalaiyam,
29th May, 2018.

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. SHARADA DEEPA
MANAGING DIRECTOR

V. GURUSAMY
CHIEF GENERAL MANAGER (FINANCE)
CUM SECRETARY

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31-03-2018

A. Equity Share Capital

(₹ in Lakhs)

Balance as at 01-04-2016	150.00
Changes in Equity Share Capital during the year 2016-17	-
Balance as at 31-03-2017	150.00
Changes in Equity Share Capital during the year 2017-18	-
Balance as at 31-03-2018	150.00

B. Other Equity

Particulars	Reserves and Surplus				Items of OCI	Total Other Equity
	Capital Reserves	Security Premium Reserve	General Reserve	Retained Earnings	Re-measurements of Defined Benefit Obligations	
Other Equity as at 1st April 2016	23.77	25.00	1,477.72	(491.70)	-	1,034.79
Add: Profit for the year				200.97		200.97
Add: Other Comprehensive Income					(23.60)	(23.60)
Total Comprehensive Income				200.97	(23.60)	177.37
Less: Transfer to Retained Earnings					23.60	23.60
Add: Transfer from OCI				(23.60)		(23.60)
Other Equity as at 31st March 2017	23.77	25.00	1,477.72	(314.33)	-	1,212.16
Add: Profit for the year				51.47		51.47
Add: Other Comprehensive Income					(22.66)	(22.66)
Total Comprehensive Income	-	-	-	51.47	(22.66)	28.81
Less: Transfer to Retained Earnings					22.66	22.66
Add: Transfer from OCI				(22.66)		(22.66)
Other Equity as at 31st March 2018	23.77	25.00	1,477.72	(285.52)	-	1,240.97

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Sri Vishnu Shankar Mill Limited is a Public Limited company domiciled and headquartered in India and incorporated under the provisions of the Companies Act. The Registered office of the Company is located at Sri Vishnu Shankar Mill Premises, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu.

The Company is principally engaged in manufacture of cotton yarn. The Company is also engaged in generation of electricity from its windmills for its captive requirements.

The financial statements of the Company for the year ended 31-03-2018 were approved and adopted by Board of Directors of the Company in their meeting dated 29-05-2018.

2. BASIS OF PREPARATION OF SEPARATE FINANCIAL STATEMENTS

- (i) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time.
- (ii) The significant accounting policies used in preparing the financial statements are set out in Note No.4.
- (iii) The Company has considered its operating cycle to be 12 months for the purpose of Current and Non-current classification of assets and liabilities.
- (iv) An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle, or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period, or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- (v) A liability is classified as current when it is expected to be settled in normal operating cycle, or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.
- (vi) The financial statements are presented in Indian Rupees rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹ 0.00 Lakhs.
- (vii) Previous year figures have been regrouped / restated, wherever necessary and appropriate.

3. BASIS OF MEASUREMENT

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer to Note No. 4 (Q) - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

4. SIGNIFICANT ACCOUNTING POLICIES

A. Inventories

- (i) Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- (ii) Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities, or net realisable value whichever is lower.

Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.

- (iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities and other costs incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

B. Cash Flow Statement

- (i) Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.
- (iii) Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

C. Income Taxes

- (i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws.
- (ii) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.
- (iii) Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- (iv) Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.
- (v) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- (vi) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.
- (vii) Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

D. Property, plant and equipments (PPE)

- (i) PPEs are stated at cost of acquisition or construction (net of CENVAT / VAT/ GST wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

- (ii) The company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. When each major inspection/overhauling is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.
- (iii) Items such as spare parts, stand-by equipments and servicing equipments are classified as PPE when they meet the definition of PPE as per Ind AS 16. Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- (iv) The present value of the expected cost for the decommissioning of PPE after its use, if materially significant, is included in the cost of the respective asset when the recognition criteria are met.
- (v) Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.
- (vi) The Company follows the useful lives of the significant parts of certain class of PPE on best estimate basis upon technical advice, as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

Type of Plant and Machinery	Useful life of such Component ranging from
Textile Machines / Equipment	10 to 25 years
Wind Mills	22 to 30 years
HFO / DG Set	12 to 25 years
Electrical Machineries	3 to 25 years

- (vii) PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- (viii) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal,

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the Statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

- (ix) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, except for process control systems whose residual value is considered as Nil.
- (x) Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.
- (xi) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

E. Capital Work in progress

Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.

F. Revenue Recognition

- (i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (ii) Revenue from Operations

- a) Sale of products

- Revenue is recognised at the fair value of consideration received or receivable upon transfer of significant risks and rewards of ownership of goods which coincides with the delivery of goods. It comprises of invoice value of goods excluding GST and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

- b) Power generated from Windmills

- Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at factories. The monetary values of such power generated that are captively consumed are not recognised as revenue, but have been set off against the Cost of Power and Fuel.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

The value of unadjusted units available if any, at the end of the financial year and sold to the Electricity Board at an agreed rate / tariff rate are recognized and shown as income from Wind Mills.

c) Scrap sale

Scrap sale is recognised at the fair value of consideration received or receivable upon transfer of significant risk and rewards. It comprises of invoice value of goods excluding applicable taxes on sale.

d) Industrial Promotion Assistance

This being in the nature of Government grants, which are recognised at fair value when the Company's right to receive the same is established with reasonable assurance.

(iii) Other Income

a) Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

b) Dividend income is recognised when the Company's right to receive dividend is established.

c) Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease.

G. Employee Benefits

(i) Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

(ii) Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.

(iii) The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary. The Company has no further obligations.

(iv) The Company also contributes for superannuation a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto ₹ 1.50 Lacs per annum is remitted to The Sri Vishnu Shankar Mill Limited Officers'

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

Superannuation Fund administered by trustees and managed by LIC of India. The balance amount, if any, is paid as salary. There are no further obligations in respect of the above contribution plan.

- (v) The Company has its own Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days' basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method.
- (vi) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.
- (vii) Re-measurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

H. Government Grants

- (i) Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.
- (ii) In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

I. Foreign currency transactions

- (i) The financial statements are presented in Indian Rupees, which is also the Company's functional currency.
- (ii) All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

- (iii) Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.
- (iv) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.

J. Borrowing Costs

- (i) Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- (ii) Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

K. Earnings per Share

- (i) Earnings per Share is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of equity shares.
- (ii) Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per Share.
- (iii) The Company do not have any potential equity shares.

L. Impairment of Non-Financial Assets

- (i) The carrying values of assets include property, plant and equipment, investment properties, cash generating units and intangible assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.

NOTES TO FINANCIAL STATEMENTS

- (ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- (iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- (iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

M. Provisions, Contingent Liabilities and Contingent Assets

- (i) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- (ii) Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- (iii) Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for Contingent Assets are not recognised.
- (iv) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

N. Intangible Assets

- (i) The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

- (ii) Intangible Assets are amortised over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team as detailed below:

Nature of Intangible assets	Estimated useful life
Computer Software	6 years
Power Transmission System	5 years

- (iii) The intangible assets that are under development phase are carried at cost including related expenses and attributable interest and are recognised as Intangible assets under development.
- (iv) The residual values, useful lives and methods of amortisation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

O. Investment Properties

- (i) An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.
- (ii) Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.
- (iii) The company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- (iv) Depreciation on investment properties are calculated on straight-line method based on useful life of the significant parts as detailed below:

Asset type	Useful life ranging from
Buildings under Investment properties	60 years

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

- (v) Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount received towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- (vi) The residual values, useful lives and methods of depreciation of investment properties are reviewed at each reporting date and adjusted prospectively, if appropriate.

P. Operating Segments

The Company's business operation comprises of two operating segment viz., Textile and Windmills. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

Q. Financial Instruments

- (i) A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- (ii) Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.
- (iii) The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

R. Financial Assets

- (i) Financial assets comprise of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

- (ii) Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
- Amortised cost; or
 - Fair value through other comprehensive income (FVTOCI); or
 - Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

- (iii) The Company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

- (iv) The Company has accounted for its investments in associates at cost. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans and advances to subsidiary company, employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity investments in companies other than Subsidiary & Associate as an option exercised at the time of initial recognition.
FVTPL	Forward exchange contracts.

- (v) Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

- a. significant risk and rewards of the financial asset, or
- b. control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset.

- (vi) Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.
- (vii) For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of Financial asset	Impairment testing methodology
Trade receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

S. Financial Liabilities

- (i) Financial liabilities comprise of Borrowings from Banks, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.
- (ii) The Company measures its financial liabilities as below:

Measurement basis	Name of Financial liabilities
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading,
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

- (iii) Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.
- (iv) Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.
- (v) Upon derecognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

T. Fair value measurement

- (i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- (ii) The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.
- (iii) All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is unobservable.

- (iv) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.
- (v) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.
- (vi) The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

a) Investments in Equity

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

b) Trade and other receivables

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

c) Forward exchange contracts

The fair value of forward exchange contracts is based on the quoted price if available; otherwise it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.

d) Non-derivative financial liabilities

The fair value of non-derivative financial liabilities viz, soft loan from government, deferred sales tax liability, borrowings are determined for disclosure purposes

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES TO FINANCIAL STATEMENTS

calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

e) Financial guarantee obligation

The fair value of financial guarantee obligation with reference to loan availed by subsidiary/associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.

f) Investment Properties

The fair value is determined for disclosure purposes based on an annual evaluation performed by an internal technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

g) Recent Accounting pronouncements

Standards issued but not yet effective In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying deletion of existing standard Ind AS 18 and insertion of new standard Ind AS 115 on Revenue from Contracts with Customers. The amendments are applicable to the company from April 1, 2018. This Standard establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Adoption of Ind AS 115 is not expected to have any impact on the Company's revenue and profit or loss. The Company expects the revenue recognition to occur at a point in time when the materials are delivered at the customers in case of textile products and in the case of wind power, when energy is transmitted to the grid.

However, the Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

The following standards have been notified by Ministry of Corporate Affairs and is effective from 01-04-2018:

- a. Ind AS 115 - Revenue from Contracts with Customers
- b. Ind AS 116 - Leases (not yet notified)

The Company is evaluating the requirements of the above standards and the effect on the financial statements is being evaluated.

U. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

(i) Property, Plant and Equipment, Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

(ii) Current Taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

(iii) Deferred Tax Asset

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(iv) Contingent Liabilities

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(v) Impairment of Trade receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

(vi) Impairment of Non-financial assets (PPE / Intangible Assets / Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

(vii) Defined Benefit Plans and Other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(viii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(ix) Interests in other entities

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is a significant influence over certain companies belonging to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES TO FINANCIAL STATEMENTS**

**NOTE NO. 5
PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

Particulars	Year	Gross Block			Depreciation			Net Block		
		As at the beginning of the year	Additions	Deductions	As at the end of the year	As at the beginning of the year	For the year (Note No. 35)	Deductions	As at the end of the year	As at the beginning of the year
Tangible Assets										
Land	2017-18	313.63	-	-	313.63	-	-	-	313.63	313.63
	2016-17	313.63	-	-	313.63	-	-	-	313.63	313.63
Buildings	2017-18	2,671.99	-	-	2,671.99	967.58	79.73	1,047.31	1,624.68	1,704.41
	2016-17	2,671.99	-	-	2,671.99	887.81	79.77	967.58	1,704.41	1,784.18
Plant and machinery	2017-18	23,462.19	1,214.98	481.10	24,196.07	13,023.20	822.50	356.24	10,706.61	10,439.00
	2016-17	23,182.94	432.91	153.66	23,462.19	12,309.59	815.46	101.85	10,438.99	10,873.35
Electrical machinery	2017-18	1,203.65	-	-	1,203.65	873.68	94.20	-	235.77	329.97
	2016-17	1,201.42	2.23	-	1,203.65	778.32	95.36	-	329.97	423.10
Furniture & Office Equipments	2017-18	147.13	17.99	-	165.12	124.23	7.11	-	131.34	33.78
	2016-17	146.27	0.86	-	147.13	118.24	5.99	-	124.23	28.03
Vehicles	2017-18	167.36	2.93	0.23	170.06	88.42	19.49	0.22	107.69	78.94
	2016-17	170.83	34.53	38.00	167.36	72.08	21.32	4.98	88.42	98.75
Total - Tangible Assets	2017-18	27,965.95	1,235.90	481.33	28,720.52	15,077.11	1,023.03	356.46	12,976.84	12,888.84
	2016-17	27,687.08	470.53	191.66	27,965.95	14,166.04	1,017.90	106.83	12,888.84	13,521.04
Note: (a) Borrowing cost of ₹ 20.05 Lakhs have been capitalised for current year (PY : Nil)										
(b) All the Fixed Assets have been pledged as Security for Borrowings.										
Intangible Assets										
Computer Software	2017-18	41.82	-	-	41.82	39.84	-	-	39.84	1.98
	2016-17	41.82	-	-	41.82	39.84	-	-	39.84	1.98
Power Transmission System	2017-18	25.17	-	-	25.17	18.99	4.93	-	23.92	6.18
	2016-17	25.17	-	-	25.17	11.59	7.40	-	18.99	13.58
Total - Intangible Assets	2017-18	66.99	-	-	66.99	58.83	4.93	-	63.76	8.16
	2016-17	66.99	-	-	66.99	51.43	7.40	-	58.83	15.56

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018

As at
31-03-2017

NOTE NO. 6

INVESTMENT PROPERTY

Land

As at the begning of the year	122.24		122.24
Less: Sale of Land	—		—
As at the end of the year	<u>122.24</u>		<u>122.24</u>

Building

As at the begning of the year	95.33		95.33
Addition / Sale	—		—
As at the end of the year	<u>95.33</u>		<u>95.33</u>

Less:

Accumulated depreciation as at the beginning of the year	17.20		14.22
Depreciation for the year	2.97		2.97
Accumulated depreciation as at the end of the year	<u>20.17</u>		<u>17.19</u>

Net Block	<u>75.16</u>		<u>78.14</u>
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Total Investment Property	<u>197.40</u>		<u>200.38</u>
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Information regarding income and expenditure of Investment property

Rental Income from Investment Properties	3.82		3.76
Direct Operating Expenses	0.87		0.73
Profit arising from Investment Properties before Depreciation and indirect expenses	2.95		3.03
Less: Depreciation	(2.97)		(2.97)
Profit arising from Investment Properties before indirect expenses	<u>(0.02)</u>		<u>0.06</u>
Fair Value of Investment Property	<u>516.92</u>		<u>—</u>

Notes:

- (i) The Company measured all of its Investment Properties at Cost in accordance with Ind AS 40.
- (ii) The fair valuation of these investment property are determined by an independent valuer, who is a specialist in valuing these types of investment properties.
- (iii) The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- (iv) Fair value hierarchy disclosures for investment properties have been provided in Note No. 43.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at 31-03-2018 As at 31-03-2017 As at 31-03-2018 As at 31-03-2017

NOTE NO. 7

INVESTMENT IN ASSOCIATES

Name of the Company	Face Value ₹ per share	No. of shares	No. of shares	Amount	Amount
Investment in Equity Instruments					
1) Quoted					
The Ramco Cements Limited	1	38,83,200	38,83,200	24.07	24.07
Rajapalayam Mills Limited	10	29,740	29,740	8.76	8.76
The Ramaraju Surgical Cotton Mills Limited	10	2,200	1,100	0.36	0.36
Sub-Total (A)				33.19	33.19
2) Unquoted					
Ramco Windfarms Limited	1	6,15,000	4,55,000	6.15	4.55
Ontime Industrial Services Limited	10	26,350	2.64	2.64	2.64
JKR Enterprise Limited	1	100	100	-	-
Sub-Total (B)				8.79	7.19
Grand-Total (C) = (A) + (B)				41.98	40.38
The Ramaraju Surgical Cotton Mills Limited issued bonus shares in the ratio of 1:1 during the Financial Year 2017-18.					
II. Investment in Preference Shares					
1) Unquoted					
JKR Enterprise Limited - 9% Cumulative Redeemable Preference Shares	1	7,95,00,000	7,95,00,000	795.00	795.00
Sub-Total (D)				795.00	795.00
Quoted Investments - Cost				33.19	33.19
Market Value				28,430.20	26,372.71
Unquoted Investments - Cost (E) = (B) + (D)				803.79	802.19
Grand Total (C) + (D)				836.98	835.38
Other Investment					
III. Investment in Equity Instruments - Unquoted					
ARS Energy Private Limited	10	160	200	0.44	0.55

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018 As at
31-03-2018

NOTE NO. 8

OTHER FINANCIAL ASSETS - (NON CURRENT)

Unsecured, considered good

Security Deposits with Electricity Board / Others	<u>435.63</u>	<u>502.84</u>
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NOTE NO. 9

OTHER NON CURRENT-ASSETS

Unsecured, considered good

Other Non-Current Assets	<u>4.03</u>	<u>4.03</u>
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NOTE NO. 10

INVENTORIES

(Valued at lower of cost or Net realisable value)

Finished Goods	1,609.07	1,319.51
Rawmaterials - Cotton & Cotton Waste	3,604.89	4,335.70
Stores and Spares	109.98	89.10
Works-in-progress (Cotton Yarn)	<u>1,026.53</u>	<u>1,034.89</u>
	<u>6,350.47</u>	<u>6,779.20</u>

Note:

The total carrying amount of inventories as at reporting date has been pledged as Security for Borrowings.

NOTE NO. 11

TRADE RECEIVABLES

Unsecured, considered good

Trade Receivables more than Six months	57.65	57.65
Other Trade Receivables	<u>3,068.80</u>	<u>2,119.51</u>
	<u>3,126.45</u>	<u>2,177.16</u>

- (a) Trade receivables are non-interest bearing and are generally on terms of 30 to 35 days.
- (b) No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (c) The total carrying amount of trade receivables has been pledged as security for Borrowings.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018 As at
31-03-2018

NOTE NO. 12

CASH AND CASH EQUIVALENTS

Cash on Hand	3.43	2.17
Balance with Bank		
In Current Account	19.77	94.96
In Deposit Account for Margin Money	50.66	254.36
Cheque on Hand	1.40	5.63
	75.26	357.12

NOTE NO. 13

BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Earmarked balances with Banks for Unclaimed Dividend	3.61	4.36
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NOTE NO. 14

OTHER FINANCIAL ASSETS (CURRENT)

Security Deposit	12.00	12.00
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NOTE NO. 15

LOANS AND ADVANCES (CURRENT ASSETS)

Unsecured, considered good

Advance to Suppliers / Others	1,123.76	917.32
Accrued Income	624.35	628.78
Prepaid Expenses	124.29	117.04
Other Current Assets	2.72	42.74
	1,875.12	1,705.88

NOTE NO. 16

TAX ASSETS

Other Current Assets	310.95	310.04
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NOTE NO. 17

EQUITY SHARE CAPITAL

Authorised

30,00,000 Equity Shares of ₹ 10/- each (PY : 30,00,000 Equity shares of ₹ 10/-each)	300.00	300.00
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Issued, Subscribed and Fully paid-up

15,00,000 Equity Shares of ₹ 10/- each (PY : 15,00,000 Equity shares of ₹ 10/-each)	150.00	150.00
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SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

- a) (5,00,000 Equity Shares of ₹ 10/- each were allotted as fully paid Bonus Shares by Capitalisation of Reserves).
b) Reconciliation of the number of shares outstanding: (₹ in Lakhs)

Particulars	As at 31-03-2018		As at 31-03-2017	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning	15,00,000	150.00	15,00,000	150.00
Number of Shares at the end	15,00,000	150.00	15,00,000	150.00

c) Rights / Restrictions attached to Equity Shares

The Company has one class of equity shares having a face value of ₹ 10/- each. Each Shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) List of Shareholders holding more than 5 percent in the Company.

Particulars	As at 31-03-2018		As at 31-03-2017	
	No. of Shares	% of holding	No. of Shares	% of holding
Shri P.R. Ramasubrahmaneya Rajha	-	-	2,12,280	14.15%
Smt. R. Sudarsanam	81,000	5.40%	81,000	5.40%
Smt. S. Sharada Deepa	6,80,280	45.35%	4,60,180	30.68%

NOTE NO. 18

OTHER EQUITY

Capital Reserve	23.77	23.77
Securities Premium Reserve	25.00	25.00
General Reserve	1,477.72	1,477.72
Retained Earnings		
Opening Balance	(314.33)	(491.70)
Add: Profit for the Year	28.81	177.37
	(285.52)	(314.33)
	1,240.97	1,212.16

Capital Reserve

Represents the difference between the shares allotted to the Share Holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

Securities Premium Reserve

Represents excess of share subscription money reserved over par value of shares.

General reserve

The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.

Retained earnings

Represents that portion of the net income of the Company that has been retained by the Company.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018

As at
31-03-2017

NOTE NO. 19

NON CURRENT BORROWINGS

Secured

Term Loan from Banks * 5,480.66 7,371.64

Unsecured

Working Capital Term Loan from Financial Institutions 2,000.00 1,000.00
7,480.66 8,371.64

* a) Term Loan from Banks are secured by pari-passu first charge on all the Fixed Assets of the Company and *pari-passu* second charge on the Current Assets of the Company.

b) The Long Term Borrowings from Banks are repayable in monthly / quarterly / off yearly installments.

The year wise repayment is as follows:

Year	Amount	Amount
2018-19	–	3,463.00
2019-20	3,791.66	3,246.00
2020-21	1,807.00	1,171.00
2021-22	1,137.00	491.64
2022-23	554.00	–
2023-24	104.00	–
2024-25	87.00	–
	<u>7,480.66</u>	<u>8,371.64</u>

NOTE NO. 20

PROVISION (NON - CURRENT)

Provision for Employee Benefits [Refer to Note No. 38] 151.04 142.03

NOTE NO. 21

DEFERRED INCOME

Government Grants 48.72 51.40

NOTE NO. 22

DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability

Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961 2,226.75 2,720.71
Tax effect on Fair Value Measurement – –

Deferred Tax Asset

Tax effect on unabsorbed depreciation under Income Tax Act, 1961 (1,537.46) (1,769.62)
Tax effect on Provision for Bonus and Leave Encashment (73.26) (76.77)

Net Deferred Tax Liability 616.03 874.32

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
NOTE NO. 23		
CURRENT BORROWINGS		
Secured		
Loan Repayable on Demand from Banks *	8,434.65	9,578.60
Unsecured		
Loan Repayable on Demand from Banks	3,006.03	570.09
Loan and advances from Directors [Refer to Note No.41(B) (i)]	259.93	153.14
Loan from Other Parties	153.12	153.12
	11,853.73	10,447.16
* Borrowings are secured by <i>pari-passu</i> first charge on the current assets of the Company and <i>pari-passu</i> second charge on the fixed assets of the Company.		
NOTE NO. 24		
TRADE PAYABLES		
Trade Payables	121.43	179.90
Terms and conditions of the above Financial Liabilities:		
Trade payables are non-interest bearing and are normally settled on 10 to 30 days.		
There are no dues to micro and small enterprises as at 31-03-2017 (PY: ₹ NIL). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
NOTE NO. 25		
OTHER CURRENT FINANCIAL LIABILITIES		
Current Maturities of Long Term Loans	3,913.00	3,442.00
Interest Accrued but not Due on Borrowings	25.97	29.48
Unpaid Dividends	3.61	4.36
Liabilities for Other Finance	192.99	457.81
	4,135.57	3,933.65
NOTE NO. 26		
PROVISIONS, CURRENT		
Provision for Employee Benefits	225.50	201.72
NOTE NO. 27		
LIABILITIES FOR CURRENT TAX		
Tax Liabilities - Other Current Liabilities	239.31	242.15

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018

As at
31-03-2017

NOTE NO. 28

REVENUE FROM OPERATION

Sale of Products

Yarn	20,275.82	20,479.39
Waste Cotton	<u>633.35</u>	<u>332.65</u>
	20,909.17	20,812.04

Other operating Revenues

Export Incentive	57.87	132.29
Job Work Charges Received	<u>328.17</u>	<u>98.49</u>
	<u>21,295.21</u>	<u>21,042.82</u>

NOTE NO. 29

FINANCE INCOME

Interest Receipts	<u>118.35</u>	<u>158.26</u>
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NOTE NO. 30

OTHER INCOME

Rent Receipts	3.95	3.94
Dividend Income	117.70	-
Government Grants	2.68	9.96
Profit on Sale of Property, Plant and Equipment	0.44	0.91
Profit on Sale of Cotton	18.33	53.61
Miscellaneous Income	<u>4.77</u>	<u>4.00</u>
	<u>147.87</u>	<u>72.42</u>

NOTE NO. 31

COST OF MATERIALS CONSUMED

Rawmaterials Consumed

Cotton & Cotton Waste	<u>11,804.72</u>	<u>11,028.03</u>
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SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018 As at
31-03-2017

NOTE NO. 32

CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Opening stock

Finished Goods	1,319.51		1,427.44
Work-in-Progress	1,034.89	2,354.40	721.81 2,149.25

Closing Stock

Finished Goods	1,609.07		1,319.51
Work-in-Progress	1,026.53	2,635.60	1,034.89 2,354.40

Net (Increase) / Decrease in Stock

(281.20) (205.15)

NOTE NO. 33

EMPLOYEE BENEFITS

Salaries, Wages and Bonus	1,891.72		1,785.00
Contribution to Provident and Other Funds	188.63		294.17
Staff and Labour Welfare & Training Expenses	93.37		89.34
	<u>2,173.72</u>		<u>2,168.51</u>

NOTE NO. 34

FINANCE COSTS

Interest on Debts and Borrowings	1,732.21		1,809.14
Exchange differences regarded as an adjustment to borrowing costs	46.70		-
	<u>1,778.91</u>		<u>1,809.14</u>

NOTE NO. 35

DEPRECIATION

Depreciation of Plant, Property and Equipment	1,023.03		1,017.90
Amortization of intangible assets	4.93		7.40
Depreciation on Investment Properties	2.97		2.97
	<u>1,030.93</u>		<u>1,028.27</u>

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018

As at
31-03-2017

NOTE NO. 36

OTHER EXPENSES

Manufacturing Expenses

Power and Fuel	1,784.62	1,747.24
Packing Materials	307.77	282.23
Repairs to Buildings	84.78	44.32
Repairs to Plant and Machinery	521.21	555.18
Repairs - General	356.73	355.56
Jobwork Charges Paid	275.00	175.26
	3,330.11	3,159.79

Establishment Expenses

Managing Director's Remuneration	203.10	203.10
Rates and Taxes	44.66	50.02
Insurance	49.57	43.44
Postage and Telephone	11.36	12.13
Printing and Stationery	19.73	6.11
Travelling Expenses	37.55	37.09
Vehicle Maintenance	54.12	51.20
Directors Sitting Fees	11.10	8.55
Rent	1.60	0.84
Audit and Legal Expenses	15.43	17.05
Corporate Social Responsibility Expenses	2.70	3.02
Loss on Exchange Difference (net)	115.20	93.11
Miscellaneous Expenses	156.53	150.05
	722.65	675.71

Selling Expenses

Sales Commission	159.40	279.34
Export Expenses	121.07	101.81
Other Selling Expenses	79.64	112.67
	360.11	493.82
	4,412.87	4,329.32

NOTE NO. 37

Deferred Tax Recognised in the Statement of Profit and Loss

Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	(74.30)	(106.22)
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	(57.59)	282.46
Tax effect on Provision for Bonus and Leave Encashment	(10.30)	(46.25)
Tax effect due to change in Income Tax Rate	116.10	-
	(258.29)	129.99

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018 As at
31-03-2017

NOTE NO. 38

CONTINGENT LIABILITIES

Guarantees given by the bankers on behalf of company	34.28	31.00
Disputed VAT Liability	33.31	33.31

- i. Income Tax Assessment have been completed upto the Accounting Year ended 31st March, 2014 i.e. AY 2014-15.
- ii. Sales Tax Assessment has been completed upto the Accounting year 2015-16.
- iii. In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL / High Court for various matters for which no provision has been made in the books of accounts to the extent of ₹ 340.42 Lakhs (PY: ₹ 340.42 Lakhs). In view of the various case laws decided in favour of the Company and in the opinion of the management, there may not be any tax liability on this matter.

NOTE NO. 39

As per Ind AS 19, the disclosures pertaining to "Employee Benefits" are given below:

(₹ in lakhs)

2017-18 2016-17

Defined Contribution Plan:

Employer's Contribution to Provident Fund	168.15	165.89
Employer's Contribution to Superannuation Fund	8.68	8.25

Details of the post retirement gratuity plan (Funded) are as follows:

Movements in the present value of define benefit obligation:

Opening defined Benefit Obligation	421.48	375.53
Current Service Cost	30.64	26.82
Interest Cost	29.06	28.487
Actuarial (gain) / loss	33.04	29.95
Benefits paid	(-) 30.26	(-) 39.29
Closing Defined Benefit obligation	484.57	421.48

Movement in the present value of plan assets:

Opening fair value of plan assets	507.51	389.21
Expected return on plan assets	35.97	34.54
Actuarial gain / (loss)	1.96	(-)1.35
Employer Contribution	0.95	124.39
Benefits paid	(-) 30.26	(-) 39.29
Closing fair value of plan assets	516.14	507.51

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in lakhs)

2017-18 2016-17

The amount included in the Statement of Financial position arising from the entity's obligation in respect of its define benefit plans:

Fair value of plan assets	516.14	507.51
Present value of obligation	484.57	421.48
Present value of Funded defined obligation	31.57	86.03

Cost of define benefit plan:

Current Service Cost	30.64	26.82
Interest Cost	(-) 6.31	(-)5.04
Net Cost Recognized in the Income Statement	24.33	21.78
Expected return on plan assets (To the extent it does not represent an adjustment to Interest Cost)	1.96	(-) 0.32
Actuarial (gain) / loss	33.05	29.94
Net Cost recognized in the Other Comprehensive Income	31.09	30.26

Major Categories of Plan Assets:

GOI Securities	-	-
Funds with LIC	516.14	507.51
Others	-	-
Total	516.14	507.51

Actuarial assumptions:

Discount rate p.a	7.72%	7.30%
Rate of escalation in salary p.a	4.00%	3.00%

Estimate of Expected Benefit payments

Particulars	2017-18	2016-17
Year 1	16.89	16.95
Year 2	39.52	21.62
Year 3	26.77	28.50
Year 4	28.71	26.09
Year 5	38.54	30.67
Next 5 Years	304.39	305.24

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in lakhs)

Quantitative Sensitivity Analysis for Significant Assumptions

0.50% Increase in Discount Rate	34.37	29.02
0.50% Decrease in Discount Rate	38.71	32.41
0.50% Increase in Salary Growth Rate	38.63	32.49
0.50% Decrease in Salary Growth Rate	34.44	28.93

Details of Leave encashment plan (Unfunded) are as follows:

Movement in the present value of define benefit Obligation:

Opening defined Benefit Obligation	142.03	79.86
Current Service Cost	10.66	9.91
Interest Cost	9.94	5.83
Actuarial (gain) / loss	0.28	60.37
Benefits paid	(-) 11.86	(-) 13.95
Closing defined Benefit obligation	151.04	142.02

Movement in the present value of plan assets:

Opening fair value of plan assets	Nil	Nil
Expected return on plan assets	Nil	Nil
Actuarial gain / (loss)	Nil	Nil
Employer Contribution	11.86	13.94
Benefits paid	(-)11.86	(-) 13.94
Closing fair value of plan assets	Nil	Nil
Expected return of plan assets	Nil	Nil
Actuarial gain / (loss) on plan assets	Nil	Nil
Actual return on plan assets	Nil	Nil

The amount included in the Statement of Financial position arising from the entity's obligation in respect of its define benefit plans:

Fair value of plan assets	NIL	NIL
Present value of obligation	151.04	142.02
Present value of Funded define obligation	151.04	142.02

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

2017-18 2016-17

Cost of define benefit Plan:

Current Service Cost	10.66	9.91
Interest Cost	9.94	5.83
Actuarial (gain) / loss	0.28	60.38
Net Cost recognized in the Income Statement	20.88	76.12

Major Categories of Plant Assets:

GOI Securities	NIL	NIL
Funds with LIC	NIL	NIL
Bank balance	NIL	NIL
Total	NIL	NIL

Actuarial assumptions:

Discount rate p.a	7.72%	7.30%
Rate of escalation in salary p.a	4.00%	3.00%

Estimate of Expected Benefit payments

Year 1	6.21	5.61
Year 2	19.44	6.58
Year 3	15.14	12.68
Year 4	7.35	14.29
Year 5	4.19	5.16
Next 5 Years	100.71	111.61

Quantitative Sensitivity Analysis for Significant Assumptions

0.50% Increase in Discount Rate	10.43	10.10
0.50% Decrease in Discount Rate	11.73	11.28
0.50% Increase in Salary Growth Rate	11.71	11.30
0.50% Decrease in Salary Growth Rate	10.45	10.08

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

(₹ in Lakhs)

NOTE NO. 40

EARNINGS PER SHARE

Particulars	31-03-2018	31-03-2017
Net profit after tax (₹ in Lakhs) (A)	51.48	200.97
Weighted average number of Equity shares [In Lakhs] (B)	15.00	15.00
Nominal value per equity share (in ₹)	10.00	10.00
Basic & Diluted Earnings per share (A)/(B) in ₹	3.43	13.40

NOTE NO. 41

RELATED PARTY TRANSACTIONS

Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31st March 2018:

a. Associates Company

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-03-2018	31-03-2017
The Ramco Cements Limited	India	1.65	1.63
Rajapalayam Mills Limited	India	0.40	0.40
The Ramaraju Surgical Cotton Mills Limited	India	0.06	0.06
Ramco Windfarms Limited	India	6.15	4.55
Ontime Industrial Services Limited	India	9.36	9.36

b. Key Managerial Personnel (including KMP under Companies Act, 2013)

Name of the Key Management Personnel	Designation
Shri P.R. Ramasubrahmaneya Rajha	Chairman (upto 01.05.2017)
Shri P.R. Venketrama Raja	Chairman (from 04.06.2017)
Smt. S. Sharada Deepa	Managing Director
Shri V. Gurusamy	Chief General Manager - (Finance) cum Secretary
Shri S.S. Ramachandra Raja	Non-Executive Director
Smt. R. Chittammal	Non-Executive Director
Shri N.K. Shrikantan Raja	Independent Director
Shri S.R. Srirama Raja	Non-Executive Director
Shri Arunkumar Goenka	Non-Executive Director
Shri S. Kanthimathinathan	Non-Executive Director
Shri P.A.S. Alaghar Raja	Independent Director

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

c. Relatives of Key Managerial Personnel

Name of the Relative of KMP	Relationship
Smt. Nalina Ramalakshmi	Sister of Shri. P.R. Venketrama Raja

d. Companies over which KMP / Relatives of KMP exercise significant influence

Thanjavur Spinning Mill Limited Sandhya Spinning Mill Limited Sri Harini Textiles Limited Rajapalayam Textile Limited	Sri Harini Media Limited
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e. Employee Benefit Funds where control exists

Sri Vishnu Shankar Mill Limited Officers' Superannuation Fund Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund

f. Other entities over which there is a significant influence

PACR Sethurammal Charity Trust

Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:

a. Transactions during the year at Arm's length basis or its equivalent

Name of the Related party	(₹ in Lakhs)	
	2017-18	2016-17
i. Good Supplied / Services rendered		
Associates		
Rajapalayam Mills Limited	623.11	602.52
The Ramaraju Surgical Cotton Mills Limited	601.45	818.76
Companies over which KMP / Relative of KMP exercise significant Influence		
Ramco Industries Limited	904.07	340.18
Sandhya Spinning Mill Limited	697.14	282.20
Thanjavur Spinning Mill Limited	114.56	141.77
Rajapalayam Textile Limited	216.59	30.51
Sri Harini Textiles Limited	Nil	23.18
ii. Sale of Fixed Assets		
Associates		
Rajapalayam Mills Limited	Nil	3.15

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

Name of the Related party	(₹ in Lakhs)	
	Value	
	2017-18	2016-17
iii. Cost of Goods & Services purchased / availed		
Associates		
The Ramco Cements Limited	2.98	36.09
The Ramaraju Surgical Cotton Mills Limited	115.83	400.30
Rajapalayam Mills Limited	1420.02	1583.28
Ramco Windfarms Limited	241.23	270.27
Companies / Other entities over KMP / Relative of KMP exercise significant influence		
Ramco Industries Limited	594.93	255.86
Ramco Systems Limited	11.32	11.37
Sandhya Spinning Mill Limited	218.57	120.99
Thanjavur Spinning Mill Limited	4.12	14.80
Rajapalayam Textile Limited	208.91	8.15
Sri Harini Media Limited	Nil	0.70
Other entities over which there is significant influence		
PACR Sethurammam Charity Trust	60.34	14.70
iv. Purchase of Fixed Assets		
Thanjavur Spinning Mill Limited	Nil	82.12
v. Sale of Equity Shares of Ramco Windfarm Limited		
Associates		
Rajapalayam Mills Limited	1.61	Nil
The Ramaraju Surgical Cotton Mills Limited	0.19	Nil
vi. Purchase of Equity Shares of Ramco Windfarms Limited		
Companies / Other entities over KMP / Relative of KMP exercise significant influence		
Ramco Industries Limited	3.40	Nil
vii. Rent Received		
Associates		
JKR Enterprise Limited	1.40	1.20
viii. Dividend Received		
Associates		
The Ramco Cements Limited	116.50	Nil
Rajapalayam Mills Limited	1.19	Nil
The Ramaraju Surgical Cotton Mills Limited	0.01	Nil
ix. Rent Paid		
Relative of Key Managerial Personnel		
Smt. Nalina Ramalakshmi	0.69	0.66
x. Interest Paid / (Received)		
Key Managerial Personnel		
Smt. S. Sharada Deepa	44.05	6.33
Shri S.S. Ramachandra Raja	1.86	1.90
Smt. R.Chittammal	14.58	10.35

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

		(₹ in Lakhs)	
Name of the Related party		Value	
		2017-18	2016-17
xi. Sitting Fees			
	Key Managerial Personnel		
	Shri P.R. Ramasubrahmaneya Rajha	Nil	0.60
	Shri P.R. Venketrama Raja	0.75	0.30
	Smt. S. Sharada Deepa	0.60	0.45
	Shri S.S. Ramachandra Raja	1.65	1.05
	Smt. R. Chittammal	1.50	1.05
	Shri S.R. Srirama Raja	0.75	0.45
	Shri N.K. Shrikantan Raja	2.55	1.95
	Shri S. Kanthimathinathan	1.50	1.05
	Shri Arunkumar Goenka	0.15	0.15
	Shri P.A.S. Alaghar Raja	1.65	1.50
xii. Remuneration to Key Management Personnel (Other than Sitting Fees)			
	Key Managerial Personnel		
	Smt. S. Sharada Deepa, Managing Director	203.10	203.10
	Shri V. Gurusamy, C.G.M. Finance Cum Secretary	28.23	22.03
xiii. Contribution to Superannuation Fund / Gratuity Fund			
	Other entities over which there is a significant influence		
	Sri Vishnu Shankar Mill Limited Officers' Superannuation Fund	8.68	8.25
	Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund	2.65	119.62
xiv. Maximum amount of loans and advance / (borrowings) outstanding during the year			
	Key Managerial Personnel		
	Smt. S. Sharada Deepa	(1,103.19)	(356.13)
	Shri S.S. Ramachandra Raja	(20.61)	(18.94)
	Smt. R. Chittammal	(173.16)	(125.40)
xv. Usage charges paid for Power Consumed by virtue of Joint Ownership of Shares with APGPCL			
	Associates		
	The Ramco Cements Limited	3.47	1.92

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
Name of the Related party	31-03-2018	31-03-2017
b. Outstanding balance including commitments		
i. Borrowings:		
Key Managerial Personnel		
Shri S.S. Ramachandra Raja	20.61	18.94
Smt. R. Chittammal	171.28	125.40
Smt. S. Sharada Deepa	68.04	1.01
ii. Security deposit paid by virtue of Joint Ownership of shares with APGPCL		
Associates		
The Ramco Cements Limited	12.00	12.00
c. Disclosure of Key Management Personnel compensation in total and for each of the following categories:		
Particulars	31-03-2018	31-03-2017
Short - Term Benefits [1]	217.41	208.17
Defined Contribution Plan [2]	25.81	25.50
Defined Benefit Plan / Other Long-Term Benefits [3]	-	-
Total	243.22	233.67
1. It includes bonus, sitting fees, and value of perquisites.		
2. It includes contribution to Provident fund and Superannuation fund		
3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.		

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

NOTE NO. 42

SEGMENT INFORMATION FOR THE YEAR ENDED 31-03-2018

(₹ in Lakhs)

Particulars	Textiles		Power from Windmills		Total	
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
REVENUE						
External Sales (Net)	22,990.45	22,666.06	-	-	22,990.45	22,666.06
Inter Segment Sale	-	-	1,695.24	1,623.24	1,695.24	1,623.24
Total Sales	22,990.45	22,666.06	1,695.24	1,623.24	24,685.69	24,289.30
Other Income	266.22	230.68	-	-	266.22	230.68
Total Revenue	23,256.67	22,896.74	1,695.24	1,623.24	24,951.91	24,519.98
RESULT						
Segment Profit	468.80	1,232.92	1,051.58	960.00	1,520.38	2,192.92
Unallocated Income	-	-	-	-	(118.35)	(158.27)
Unallocated Expenses	-	-	-	-	-	-
Operating Profit	-	-	-	-	1,402.03	2,034.65
Interest Expenses	-	-	-	-	1,718.46	1,705.22
Interest Income	-	-	-	-	118.35	158.26
Provision for Taxation	-	-	-	-	-	-
Current Tax	-	-	-	-	-	93.15
Income Tax related to earlier years	-	-	-	-	-	57.24
Deferred Tax	-	-	-	-	(258.29)	129.99
Profit from ordinary activities	-	-	-	-	60.21	207.32
Other Comprehensive Income	-	-	-	-	(31.40)	(29.95)
Exceptional Items	-	-	-	-	-	-
Net Profit	-	-	-	-	28.81	177.37
OTHER INFORMATION						
Segment Assets	23,462.22	22,761.28	2,800.74	3,044.85	26,262.96	25,806.13
Unallocated Assets	-	-	-	-	-	-
Total Assets	-	-	-	-	26,262.96	25,806.13
Segment Liabilities	959.84	1,257.46	-	-	959.84	1,257.46
Unallocated Liabilities	-	-	-	-	23,912.15	23,186.49
Total Liabilities	-	-	-	-	24,871.99	24,443.95
Capital Expenditure	1,270.26	458.76	-	-	1,270.26	458.76
Unallocated Capital Expenditure	-	-	-	-	-	-
Depreciation	812.74	836.00	218.19	192.28	1,030.93	1,028.28
Unallocated Depreciation Expenditure	-	-	-	-	-	-
Non-Cash expenses other than Depreciation	-	-	-	-	-	-

NOTE NO. 43

DISCLOSURE OF FAIR VALUE MEASUREMENTS

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

Financial Instruments by category

(₹ in Lakhs)

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-03-2018					
Financial Assets					
Investments In Preference Shares	795.00	–	–	795.00	795.00
Other Investments	0.44	–	–	0.44	0.44
Loans	0.00	–	–	0.00	0.00
Trade Receivables	3126.45	–	–	3126.45	3126.45
Cash and Cash Equivalents	75.26	–	–	75.26	75.26
Bank Balance other than Cash and Cash Equivalents	3.61	–	–	3.61	3.61
Other Financial Assets	12.00	–	–	12.00	12.00
Financial Liabilities					
Borrowings	7480.66	–	–	7480.66	7480.66
Trade Payables	121.43	–	–	121.43	121.43
Other Financial Liabilities	4,135.57	–	–	4,135.57	4,135.57
As at 31-03-2017					
Financial Assets					
Investments In Preference Shares	795.00	–	–	795.00	795.00
Other Investments	0.55	–	–	0.55	0.55
Loans	0.00	–	–	0.00	0.00
Trade Receivables	2181.49	–	–	2181.49	2181.49
Cash and Bank Balances	357.12	–	–	357.12	357.12
Bank Balance other than Cash and Cash Equivalents	4.36	–	–	4.36	4.36
Other Financial Assets	12.00	–	–	12.00	12.00
Financial Liabilities					
Borrowings	8371.64	–	–	8371.64	8371.64
Trade Payables	142.03	–	–	142.03	142.03
Other Financial Liabilities	3933.65	–	–	3933.65	3933.65

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

The details of financial instruments that are measured at fair value on recurring basis are given below:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investment in unlisted securities				
As at 31-03-2018	–	–	0.44	0.44
As at 31-03-2017	–	–	0.55	0.55

Valuation techniques used to determine the fair value

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities	Market Value	Closing Price as at 31 st March in Stock Exchange
Investment in Unlisted securities	At Book Value	Insignificant Value
Foreign Exchange forward contracts	Mark to Market	Based on MTM valuating provided by Banker

NOTE NO. 44

FINANCIAL RISK MANAGEMENT

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and Cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. In case of Corporate / Export Customer, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

(₹ in Lakhs)

As at 31-03-2018	Due less than 45 days	46 to 90 days	91 to 180 days	More than 180 days	Total
Gross carrying amount	2,276	456	319	54.65	3106
Expected Loss Rate	0%	0%	0%	0%	0%
Expected Credit Losses	0%	0%	0%	0%	0%
Carrying amount of trade receivables net of impairment	2,276	456	319	54.65	3106

As at 31-03-2017	Due less than 45 days	46 to 90 days	91 to 180 days	More than 180 days	Total
Gross carrying amount	1,886.00	147.00	122.00	57.65	2,212.65
Expected Loss Rate	0%	0%	0%	0%	0%
Expected Credit Losses	0%	0%	0%	0%	0%
Carrying amount of trade receivables net of impairment	1886.00	147.00	122.00	57.65	2212.65

Financial Instruments and Cash deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with Banks. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

Financial arrangements

The Company has access to the following undrawn borrowing facilities: (₹ in Lakhs)

Particulars	31-03-2018	31-03-2017
Expiring within one year		
Bank Overdraft and other facilities	3,868.00	1,751.00
Term Loans	-	-
Expiring beyond year		
Term Loans	-	-

Maturities of Financial Liabilities

(₹ in Lakhs)

Nature of Financial Liability	< 1 Year	1 - 5 Years	>5 years	Total
As at 31-03-2018				
Borrowings from Banks	3,913.00	7,480.66	-	11,393.66
Trade payables	121.42	-	-	121.42
Other Financial Liabilities (Incl. Interest)	222.56	-	-	222.56
As at 31-03-2017				
Borrowings from Banks	3442.00	8372	-	11,814
Trade payables	179.90	-	-	179.90
Other Financial Liabilities (Incl. Interest)	491.65	-	-	491.65

Foreign Currency Risk

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of cotton, capital goods & spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract after taking into consideration the anticipated Foreign exchange inflows/outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

The Company's exposure to foreign currency risk (un-hedged) as detailed below:

Currency	Trade Payables	Trade and other Receivables	Balance with Banks	Foreign Currency Loan
USD in Millions				
As at 31-03-2018	-	-	-	-
As at 31-03-2017	-	-	-	0.19
EURO in Millions				
As at 31-03-2018	-	-	-	-
As at 31-03-2017	-	-	-	-

Risk sensitivity on foreign currency fluctuation

(₹ in Lakhs)

Foreign Currency	31-03-2018	31-03-2017
	1% Increase	1% increase
USD	-	(-) 1.23

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF SEPARATE FINANCIAL STATEMENTS

Cash flow and fair value interest rate risk

(₹ in Lakhs)

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position.

Interest rate risk exposure

Particulars	31-03-2018	01-04-2017
Variable rate borrowings	22,834.34	21,781.10
Fixed rate borrowings	-	181.96

The Company does not have any interest rate swap contracts

Sensitivity on Interest rate fluctuation

Incremental Interest Cost works out to	31-03-2018	31-03-2017
1% Increase in Interest Rate	228.34	217.80

NOTE NO. 45

CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the Shareholders' wealth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

Particulars	31-03-2018	31-03-2017
Long Term Borrowings	7,480.66	8,371.64
Current maturities of Long Term borrowings	3,913.00	3,442.00
Short Term Borrowings	11,440.68	19,148.69
Less: Cash and Cash Equivalents	79.15	361.48
Net Debt (A)	22,755.19	21,601.85
Equity Share Capital	150.00	150.00
Other Equity	1,241.26	1,403.00
Total Equity (B)	1,391.26	1,553.00
Total Capital Employed (C) = (A) + (B)	24,146.45	23,154.12
Capital Gearing Ratio (A) / (C)	94%	93%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans / borrowing. The Company has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2018 and 31-03-2017.

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S

K. SRINIVASAN
Partner,
Membership No. 21510
Rajapalayam,
29th May, 2018.

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. SHARADA DEEPA
MANAGING DIRECTOR

V. GURUSAMY
CHIEF GENERAL MANAGER (FINANCE) CUM SECRETARY

CONSOLIDATED FINANCIAL STATEMENTS

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SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Sri Vishnu Shankar Mill Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements drawn in accordance with the Indian Accounting Standards ("the Consolidated Financial Statements") of Sri Vishnu Shankar Mill Limited (hereinafter referred to as "the Parent Company") and its associates comprise of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in for the year then and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the consolidated financial statements).

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013, (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flow and consolidated statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India and including the Indian Accounting Standards specified under Section 133 of the Act.

The respective Board of Directors of the parent Company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the parent Company, as aforesaid.

In reaching conclusion commented upon above we have relied on our audit of the parent company and management certification in the case of associates with are unaudited.

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the parent Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards, of the consolidated state of affairs (financial position) of the Company including the effect of share in the profit of its associates as at 31st March 2018, and their consolidated profit (financial performance including other comprehensive income) including the share in the profit of its associates, their consolidated cash flows and consolidated statement of changes in equity for the year ended on 31st March 2018.

Other Matters

The consolidated financial statements year to date includes the financial statements of FIVE associates whose consolidated financial statements reflects the total comprehensive income of ₹ 882.99 Lakhs For the year ended 31st March 2018. All of these financial statements are audited by an Independent Auditor.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is based on the financial statements / financial information certified by the Management.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

The comparative consolidated financial information of the Company for the year ended March 31, 2017 are based on the previously issued consolidated financial statements audited by N.A. Jayaraman & Co., Chartered Accountants, the predecessor auditors, whose report for the year ended March 31, 2017 dated 25th May, 2017 expressed an unmodified opinion on those consolidated financial statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act based on our audit and on the consideration of separate financial statements / financial information on the associates furnished by the management as noted in the other matter paragraph, we report, to the extent applicable, that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
2. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the financial statement furnished by the management with respect of associates.
3. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
5. On the basis of the written representations received from the Directors of the parent Company as on 31st March 2018 taken on record by the Board of Directors of the parent Company and the reports of the Statutory Auditor of the associate companies, and Management Certification in the case of the unaudited associate companies, none of the Directors of the Company and its associate companies is disqualified as on 31st March 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.
6. We have enclosed our separate report in "Annexure A" with respect to the adequacy of the internal financial controls over financial reporting of the entities in the parent Company and associate companies and the operating effectiveness of such controls. We have relied on the management certification in respect of the unaudited associates with respect to the adequacy of internal financial controls over financial reporting. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of entities in the parent Company and the associate companies.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of separate financial statements / financial information on the associate furnished by the management as noted in the other matter paragraph:
- i. The details of the pending litigations and its impact on the Financial Statements have been disclosed in the Separate Financial Statements of the respective entities in the parent Company and by the associates.
 - ii. The parent Company and associate companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the entities in the parent Company and its associates.

In reaching conclusions commented upon in items (i) to (iii) above, we have relied on a) our audit of the parent Company and b) Management Certification in the case of associates which are either audited or unaudited.

For M.S.JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration Number: 001208S

K SRINIVASAN
Partner
Membership No. 21510

RAJAPALAIYAM,
29th May, 2018.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
CONSOLIDATED FINANCIAL STATEMENTS DRAWN IN ACCORDANCE WITH INDIAN
ACCOUNTING STANDARDS OF SRI VISHNU SHANKAR MILL LIMITED**

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

We have audited the internal financial controls over financial reporting of Sri Vishnu Shankar Mill Limited and its associates ("the Group") as of 31st March 2018 in conjunction with our audit of the Consolidated Financial Statements of the parent Company for the year ended on 31st March 2018.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Other Matters

We have relied on a) Audit of the parent company and b) Management Certification in the case of associates which either audited or unaudited.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

AUDITORS' REPORT TO SHAREHOLDERS

internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the parent Company, and associates company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M.S.JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration Number: 001208S

K SRINIVASAN
Partner
Membership No. 21510

RAJAPALAIYAM,
29th May, 2018.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

	Note No.	(₹ in Lakhs)	
		As at 31-03-2018	As at 31-03-2017
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	6	12,976.84	12,888.84
(b) Capital Work-in-progress		54.55	20.19
(c) Intangible Assets	6	3.23	8.16
(d) Investment Property	7	197.40	200.38
(e) Investment in Associates	8	15,551.74	14,677.84
(f) Financial Assets			
Other Investment	8	0.44	0.55
Other Financial Assets	9	435.63	502.84
(g) Other Non-Current Assets	10	4.03	4.03
		<u>29,223.86</u>	<u>28,302.83</u>
(2) Current Assets			
(a) Inventories	11	6,350.47	6,779.20
(b) Financial Assets			
Trade Receivables	12	3,126.45	2,177.16
Cash and Cash Equivalents	13	75.26	357.12
Bank Balance other than Cash and Cash Equivalents	14	3.61	4.36
Other Financial Assets	15	12.00	12.00
(c) Loans and Advances	16	1,875.12	1,705.88
(d) Tax Assets			
Other Current Assets	17	310.95	310.04
		<u>11,753.86</u>	<u>11,345.76</u>
TOTAL ASSETS		<u>40,977.72</u>	<u>39,648.59</u>
Equity & Liabilities			
(1) Equity			
(a) Equity Share Capital	18	149.98	149.98
(b) Other Equity	19	15,955.76	15,054.64
Total Equity		<u>16,105.74</u>	<u>15,204.62</u>
(2) LIABILITIES			
A) Non Current Liabilities			
(a) Financial Liabilities			
Borrowings	20	7,480.66	8,371.64
Provisions	21	151.04	142.03
Deferred Income	22	48.72	51.40
Deferred Tax Liabilities (Net)	23	616.03	874.32
		<u>8,296.45</u>	<u>9,439.39</u>
B) Current Liabilities			
(a) Financial Liabilities			
Borrowings	24	11,853.73	10,447.16
Trade Payables	25	121.42	179.90
Other Financial Liabilities	26	4,135.57	3,933.65
(b) Provisions	27	225.50	201.72
(c) Liabilities for Current Tax	28	239.31	242.15
		<u>16,575.54</u>	<u>15,004.58</u>
TOTAL EQUITY AND LIABILITIES		<u>40,977.72</u>	<u>39,648.59</u>
Significant Accounting Policies	1-4		
See accompanying notes to the financial statements.	5-47		

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
K. SRINIVASAN
Partner,
Membership No. 21510
Rajapalaiyam,
29th May, 2018.

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. SHARADA DEEPA
MANAGING DIRECTOR

V. GURUSAMY
CHIEF GENERAL MANAGER (FINANCE)
CUM SECRETARY

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

(₹ in Lakhs)

	Note No.	For the year ended 31-03-2018	For the year ended 31-03-2017
REVENUE			
I	29	21,295.21	21,042.82
II	30	118.35	158.26
III	31	30.17	72.41
IV		<u>21,443.73</u>	<u>21,273.49</u>
EXPENSES			
	32	11,804.72	11,028.03
		839.56	627.68
	33	(281.20)	(205.16)
	34	2,173.72	2,168.51
	35	1,778.91	1,809.14
	36	1,030.93	1,028.27
	37	4,412.86	4,329.32
V		<u>21,759.50</u>	<u>20,785.79</u>
VI		<u>(315.77)</u>	<u>487.70</u>
VII			
		-	99.50
		-	57.24
		(249.55)	129.99
		<u>(249.55)</u>	<u>286.73</u>
VIII		<u>(66.22)</u>	<u>200.97</u>
IX			
		974.53	1,168.82
X		<u>908.31</u>	<u>1,369.79</u>
XI			
		(31.40)	(29.95)
		-	-
		8.74	6.35
		(22.66)	(23.60)
		(2.66)	(0.98)
		<u>(25.32)</u>	<u>(24.58)</u>
XII		<u>882.99</u>	<u>1,345.21</u>
XIII			
		60.56	91.33
	1-4		
	5-47		

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
K. SRINIVASAN
Partner,
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Rajapalaiyam,
29th May, 2018.

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MANAGING DIRECTOR

V. GURUSAMY
CHIEF GENERAL MANAGER (FINANCE)
CUM SECRETARY

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2018

	(₹ in Lakhs)	
	2017-18	2016-17
A. Cash Flow from Operating Activities:		
Profit / (Loss) before Tax	(315.77)	487.70
Adjustments for :		
Depreciation & Amortisation	1,030.93	1,028.27
Finance cost	1,778.91	1,809.14
Interest Income	(118.35)	(158.26)
Rent Receipts from Investments Properties	(3.82)	(3.94)
Profit on Sale of Assets	(0.44)	(0.91)
Fair Value movement on Forward Contracts	(151.11)	110.29
Operating Profit before Working Capital Changes	2,220.35	3,272.29
Adjustments for :		
Gratuity and Government Grants	(34.08)	(32.62)
Trade Receivables	(949.29)	(676.05)
Loans and Advances	(102.03)	(744.06)
Inventories	428.73	(1,610.18)
Trade Payables & Current liabilities	(143.66)	238.76
Cash generated from Operations	1,420.02	448.14
Income tax Paid	(3.75)	(137.65)
Net Cash generated from Operating Activities	A	1,416.27
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets (Including Capital work-in-progress)	(1,270.26)	(458.76)
Purchase of Investments - Ramco Windfarms Ltd	(1.60)	1.20
Sale of Investments	0.11	-
Proceeds from Sale of Assets / Investment Property	125.32	85.74
Interest Received	118.35	158.26
Dividend Received	117.70	-
Rent Received	3.82	3.94
Net Cash used in Investing Activities	B	(906.57)

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2018

	(₹ in Lakhs)	
	2017-18	2016-17
C. Cash Flow from Financing Activities :		
Proceeds from Long Term Borrowings	3,493.02	2,632.50
Repayment of Long Term Loan	(3,913.00)	(3,442.00)
Availment / (Repayment) of Short Term Borrowings (Net)	1,406.57	2,783.09
Interest Paid	(1,778.91)	(1,809.14)
Net cash used in Financing Activities	C (792.32)	164.45
Net Increase / (Decrease) in Cash and Cash Equivalents D=(A+B+C)	(282.61)	265.32
Opening balance of Cash and Cash Equivalents	D + E 361.48	96.16
	78.87	361.48

Notes:

- (i) The above Statement of Cash Flow has been prepared under 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flow.
- (ii) Bank Borrowings including Cash Credits are considered as Financing Activities.
- (iii) For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprise the following:

Particulars	31-03-2018	31-03-2017
Cash and Cash Equivalents (Note No.12)	75.26	357.12
Bank Balances other than Cash and Cash Equivalents (Refer to Note No.13)	3.61	4.36
	78.87	361.48

See accompanying notes to the financial statements 5-47

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S
K. SRINIVASAN
Partner,
Membership No. 21510
Rajapalaiyam,
29th May, 2018.

Shri P.R. VENKETRAMA RAJA
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CHIEF GENERAL MANAGER (FINANCE)
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SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

A. Equity Share Capital

(₹ in Lakhs)

Balance as at 01-04-2016	150.00
Changes in Equity Share Capital during the year 2016-17	-
Less: Treasury Shares adjustment	(0.02)
Balance as at 31-03-2017	149.98
Changes in Equity Share Capital during the year 2017-18	-
Add: Treasury Shares adjustment	-
Balance as at 31-03-2018	149.98

Note: Treasury Shares adjustment computed based on holding of Company's shares by fellow associates.

B. Other Equity

Particulars	Reserves and Surplus					Items of OCI		Total Other Equity
	Capital Reserve	Capital Reserves on Consolidation	Security Premium Reserve	General Reserve	Retained Earnings	Re-measurements of Defined Benefit Obligation	Share of OCI of Associates	
Other Equity as at 1st April 2016	23.77	11,901.49	25.00	1,477.72	281.45	-	-	13,709.43
Add: Profit for the year	-	-	-	-	1,369.79	-	-	1,369.79
Add: Other Comprehensive Income	-	-	-	-	-	(23.60)	(0.98)	(24.58)
Total Comprehensive Income	-	-	-	1,477.72	1,369.79	(23.60)	(0.98)	2,822.93
Less: Transfer to Retained Earnings	-	-	-	-	-	23.60	0.98	24.58
Add: Transfer from OCI	-	-	-	-	(24.58)	-	-	(24.58)
Other Equity as at 31st March 2017	23.77	11,901.49	25.00	1,477.72	1,626.66	-	-	15,054.64
Add: Profit for the year	-	-	-	-	908.31	-	-	908.31
Add: Other Comprehensive Income	-	-	-	-	-	(22.66)	(2.66)	(25.32)
Total Comprehensive Income	-	-	-	-	908.31	(22.66)	(2.63)	882.99
Less: Transfer to Retained Earnings	-	-	-	-	-	22.66	2.66	25.32
Add: Capital Reserves on Purchase of RFWL Equity Shares	-	27.85	-	-	-	-	-	-
Add: Transfer from OCI	-	-	-	-	(25.32)	-	-	(25.32)
Add: GR Reversal of RWFL Shares Sales	-	-	-	(9.72)	-	-	-	(9.72)
Other Equity as at 31st March 2018	23.77	11,929.34	25.00	1,468.00	2,509.65	-	-	15,955.76

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Sri Vishnu Shankar Mill Limited is a Public Limited company domiciled and headquartered in India and incorporated under the provisions of the Companies Act. The Registered office of the Company is located at Sri Vishnu Shankar Mill Premises, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 117, Tamil Nadu.

The Company is principally engaged in manufacture of cotton yarn. The Company is also engaged in generation of electricity from its windmills for its captive requirements.

The financial statements of the Company for the year ended 31-03-2018 were approved and adopted by Board of Directors of the Company in their meeting dated 29-05-2018.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

- (i) The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time. The Company has reclassified some of the non-trade investment as investment in 'Associates' in accordance with Ind AS.
- (ii) The significant accounting policies used in preparing the financial statements are set out in Note No.4.
- (iii) The Company has considered its operating cycle to be 12 months for the purpose of Current and Non-current classification of assets and liabilities.
- (iv) An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- (v) A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.
- (vi) The consolidated financial statements are presented in Indian Rupees rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹ 0.00 Lakhs.
- (vii) Pursuant to General Circular No.39/2014 dated 14-10-2014 issued by the Ministry of Corporate Affairs that the disclosures made already under the financial statements are not merely repeated and thus the disclosures that are relevant arising out of consolidation have only been presented.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- (viii) The CFS comprises the financial statements of Sri Vishnu Shankar Mill Limited and its Associate Companies. The following companies are considered as Associates based on existence of significant influence over such companies:

Name of the Company	% of Shareholding as at	
	31-03-2018	31-03-2017
The Ramco Cements Limited	1.65%	1.63%
Rajapalayam Mills Limited	0.40%	0.40%
The Ramaraju Surgical Cotton Mills Limited	0.06%	0.06%
Ramco Wind Farms Limited	6.15%	4.55%
Ontime Industrial Services Limited	9.36%	9.36%

- (ix) Previous year figures have been regrouped / restated, wherever necessary and appropriate.

3. Principles of Consolidation

- a. The CFS includes the share of profit/loss of the associate companies that are accounted for using equity method in accordance with Ind AS 28. Accordingly, the share of profit /loss of the associates (the loss being restricted to the cost of investment) has been added/deducted from the cost of investment. The most recent available financial statements of the associates are used in applying the equity method.
- b. The Consolidated Statement of Profit and Loss reflects the share of results of its associates. Any change in OCI of those investees is presented as part of the Consolidated OCI.
- c. Under equity method of accounting, the investments are initially recognized at the fair value of net asset of Associate Company from the date on which it becomes an associate and any difference between the cost of the investment and the Parent's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:
 - i. Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.
 - ii. Subsequently, the carrying amount of investment is adjusted to recognize the share of post-acquisition profits or losses of its Associates in the Parent's Statement of Profit & Loss.
- d. Dividend received or receivable from Associates are recognized as a reduction in the carrying amount of the Investment.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- e. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated to the extent of the Company's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred.
- f. At each reporting date, the Company determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Company provides for impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as 'Share of profit of an associates' in the Statement of Profit & Loss.
- g. The CFS has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and is presented, to the extent possible, in the same manner as the Company's separate financial statements.

4. BASIS OF MEASUREMENT

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note No. 5(Q) - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

5. SIGNIFICANT ACCOUNTING POLICIES

A. Inventories

- (i) Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- (ii) Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities, or net realisable value whichever is lower.

Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.

- (iii) Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities and other costs incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

inventories to the present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

B. Cash Flow Statement

- (i) Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- (ii) Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.
- (iii) Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

C. Income Taxes

- (i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws.
- (ii) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.
- (iii) Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- (iv) Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- (v) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- (vi) Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.
- (vii) Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

D. Property, plant and equipments (PPE)

- (i) PPEs are stated at cost of acquisition or construction (net of CENVAT / VAT/ GST wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.
- (ii) The company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. When each major inspection/overhauling is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.
- (iii) Items such as spare parts, stand-by equipments and servicing equipments are classified as PPE when they meet the definition of PPE as per Ind AS 16. Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- (iv) The present value of the expected cost for the decommissioning of PPE after its use, if materially significant, is included in the cost of the respective asset when the recognition criteria are met.
- (v) Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- (vi) The Company follows the useful lives of the significant parts of certain class of PPE on best estimate basis upon technical advice, as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

Type of Plant and Machinery	Useful life of such Component ranging from
Textile Machines / Equipment	10 to 25 years
Wind Mills	22 to 30 years
HFO / DG Set	12 to 25 years
Electrical Machineries	3 to 25 years

- (vii) PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- (viii) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the Statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- (ix) Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, except for process control systems whose residual value is considered as Nil.
- (x) Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.
- (xi) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

E. Capital Work in progress

Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

F. Revenue Recognition

(i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(ii) Revenue from Operations

a) Sale of products

Revenue is recognised at the fair value of consideration received or receivable upon transfer of significant risks and rewards of ownership of goods which coincides with the delivery of goods. It comprises of invoice value of goods excluding GST and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

b) Power generated from Windmills

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at factories. The monetary values of such power generated that are captively consumed are not recognised as revenue, but have been set off against the Cost of Power and Fuel.

The value of unadjusted units available if any, at the end of the financial year and sold to the Electricity Board at an agreed rate / tariff rate are recognized and shown as income from Wind Mills.

c) Scrap sale

Scrap sale is recognised at the fair value of consideration received or receivable upon transfer of significant risk and rewards. It comprises of invoice value of goods excluding applicable taxes on sale.

d) Industrial Promotion Assistance

This being in the nature of Government grants, which are recognised at fair value when the Company's right to receive the same is established with reasonable assurance.

(iii) Other Income

a) Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

b) Dividend income is recognised when the Company's right to receive dividend is established.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- c) Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease.

G. Employee Benefits

- (i) Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- (ii) Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- (iii) The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary. The Company has no further obligations.
- (iv) The Company also contributes for superannuation a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto ₹ 1.50 Lacs per annum is remitted to The Sri Vishnu Shankar Mill Limited Officers' Superannuation Fund administered by trustees and managed by LIC of India. The balance amount, if any, is paid as salary. There are no further obligations in respect of the above contribution plan.
- (v) The Company has its own Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days' basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method.
- (vi) The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.
- (vii) Re-measurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

H. Government Grants

- (i) Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.
- (ii) In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets". Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

I. Foreign currency transactions

- (i) The financial statements are presented in Indian Rupees, which is also the Company's functional currency.
- (ii) All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.
- (iii) Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.
- (iv) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.

J. Borrowing Costs

- (i) Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- (ii) Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

K. Earnings per Share

- (i) Earnings per Share is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of equity shares.
- (ii) Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per Share.
- (iii) The Company do not have any potential equity shares.

L. Impairment of Non-Financial Assets

- (i) The carrying values of assets include property, plant and equipment, investment properties, cash generating units and intangible assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.
- (ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- (iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- (iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

M. Provisions, Contingent Liabilities and Contingent Assets

- (i) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- (ii) Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- (iii) Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for Contingent Assets are not recognised.
- (iv) Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

N. Intangible Assets

- (i) The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.
- (ii) Intangible Assets are amortised over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team as detailed below:

Nature of Intangible assets	Estimated useful life
Computer Software	6 years
Power Transmission System	5 years

- (iii) The intangible assets that are under development phase are carried at cost including related expenses and attributable interest and are recognised as Intangible assets under development.
- (iv) The residual values, useful lives and methods of amortisation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

O. Investment Properties

- (i) An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.
- (ii) Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.

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(iii) The company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(iv) Depreciation on investment properties are calculated on straight-line method based on useful life of the significant parts as detailed below:

Asset type	Useful life ranging from
Buildings under Investment properties	60 years

(v) Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount received towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

(vi) The residual values, useful lives and methods of depreciation of investment properties are reviewed at each reporting date and adjusted prospectively, if appropriate.

P. Operating Segments

The Company's business operation comprises of two operating segment viz., Textile and Windmills. Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

Q. Financial Instruments

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

(ii) Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

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- (iii) The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

R. Financial Assets

- (i) Financial assets comprise of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.
- (ii) Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
- a) Amortised cost; or
 - b) Fair value through other comprehensive income (FVTOCI); or
 - c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

- (iii) The Company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- (iv) The Company has accounted for its investments in associates at cost. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans and advances to subsidiary company, employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity investments in companies other than Subsidiary & Associate as an option exercised at the time of initial recognition.
FVTPL	Forward exchange contracts.

- (v) Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:
- a. significant risk and rewards of the financial asset, or
 - b. control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset.

- (vi) Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.
- (vii) For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of Financial asset	Impairment testing methodology
Trade receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Name of Financial asset	Impairment testing methodology
	economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

S. Financial Liabilities

- (i) Financial liabilities comprise of Borrowings from Banks, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.
- (ii) The Company measures its financial liabilities as below:

Measurement basis	Name of Financial liabilities
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading,
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

- (iii) Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

- (iv) Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.
- (v) Upon derecognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

T. Fair value measurement

- (i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- (ii) The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.
- (iii) All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:
 - Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
 - Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is directly or indirectly observable.
 - Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is unobservable.
- (iv) For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.
- (v) For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.
- (vi) The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

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a) Investments in Equity

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

b) Trade and other receivables

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

c) Forward exchange contracts

The fair value of forward exchange contracts is based on the quoted price if available; otherwise it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.

d) Non-derivative financial liabilities

The fair value of non-derivative financial liabilities viz, soft loan from government, deferred sales tax liability, borrowings are determined for disclosure purposes calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

e) Financial guarantee obligation

The fair value of financial guarantee obligation with reference to loan availed by subsidiary/associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.

f) Investment Properties

The fair value is determined for disclosure purposes based on an annual evaluation performed by an internal technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

g) Recent Accounting pronouncements

Standards issued but not yet effective In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying deletion of existing standard Ind AS 18 and insertion of new standard Ind AS 115 on Revenue from Contracts with Customers. The amendments are applicable to the company from April 1, 2018. This Standard establishes a five-step model to account for revenue arising from contracts with

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

customers. Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Adoption of Ind AS 115 is not expected to have any impact on the Company's revenue and profit or loss. The Company expects the revenue recognition to occur at a point in time when the materials are delivered at the customers in case of textile products and in the case of wind power, when energy is transmitted to the grid.

However, the Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

U. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

(i) Property, Plant and Equipment, Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(ii) Current Taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

(iii) Deferred Tax Asset

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(iv) Contingent Liabilities

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(v) Impairment of Trade receivables

The impairment for trade receivables are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

(vi) Impairment of Non-financial assets (PPE / Intangible Assets / Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

(vii) Defined Benefit Plans and Other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
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(viii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(ix) Interests in other entities

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is a significant influence over certain companies belonging to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights.

**SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES TO FINANCIAL STATEMENTS**

**NOTE NO. 6
PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

Particulars	Year	Gross Block			Depreciation			Net Block		
		As at the beginning of the year	Additions	Deductions	As at the end of the year	As at the beginning of the year	For the year (Note No. 35)	Deductions	As at the end of the year	As at the beginning of the year
Tangible Assets										
Land	2017-18	313.63	-	-	313.63	-	-	-	313.63	313.63
	2016-17	313.63	-	-	313.63	-	-	-	313.63	313.63
Buildings	2017-18	2,671.99	-	-	2,671.99	967.58	79.73	1,047.31	1,624.68	1,704.41
	2016-17	2,671.99	-	-	2,671.99	887.81	79.77	967.58	1,704.41	1,784.18
Plant and machinery	2017-18	23,462.19	1,214.98	481.10	24,196.07	13,023.20	822.50	356.24	10,706.61	10,439.00
	2016-17	23,182.94	432.91	153.66	23,462.19	12,309.59	815.46	101.85	10,438.99	10,873.35
Electrical machinery	2017-18	1,203.65	-	-	1,203.65	873.68	94.20	-	235.77	329.97
	2016-17	1,201.42	2.23	-	1,203.65	778.32	95.36	-	329.97	423.10
Furniture & Office Equipments	2017-18	147.13	17.99	-	165.12	124.23	7.11	-	33.78	22.89
	2016-17	146.27	0.86	-	147.13	118.24	5.99	-	22.90	28.03
Vehicles	2017-18	167.36	2.93	0.23	170.06	88.42	19.49	0.22	62.37	78.94
	2016-17	170.83	34.53	38.00	167.36	72.08	21.32	4.98	78.94	98.75
Total - Tangible Assets	2017-18	27,965.95	1,235.90	481.33	28,720.52	15,077.11	1,023.03	356.46	12,976.84	12,888.84
	2016-17	27,687.08	470.53	191.66	27,965.95	14,166.04	1,017.90	106.83	12,888.84	13,521.04
Note: (a) Borrowing cost of ₹ 20.05 Lakhs have been capitalised for current year (PY : Nil)										
(b) All the Fixed Assets have been pledged as Security for Borrowings.										
Intangible Assets										
Computer Software	2017-18	41.82	-	-	41.82	39.84	-	-	39.84	1.98
	2016-17	41.82	-	-	41.82	39.84	-	-	39.84	1.98
Power Transmission System	2017-18	25.17	-	-	25.17	18.99	4.93	-	23.92	6.18
	2016-17	25.17	-	-	25.17	11.59	7.40	-	18.99	13.58
Total - Intangible Assets	2017-18	66.99	-	-	66.99	58.83	4.93	-	63.76	8.16
	2016-17	66.99	-	-	66.99	51.43	7.40	-	58.83	15.56

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018

As at
31-03-2017

NOTE NO. 7

INVESTMENT PROPERTY

Land

As at the beginning of the year	122.24		122.24
Less: Sale of Land	—		—
As at the end of the year	<u>122.24</u>		<u>122.24</u>

Building

As at the beginning of the year	95.33		95.33
Addition / Sale	—		—
As at the end of the year	<u>95.33</u>		<u>95.33</u>

Less:

Accumulated depreciation as at the beginning of the year	17.20		14.22
Depreciation for the year	<u>2.97</u>		<u>2.97</u>
Accumulated depreciation as at the end of the year	20.17		17.19
Net Block	<u>75.16</u>		<u>78.14</u>

Total Investment Property	<u>197.40</u>		<u>200.38</u>
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Information regarding income and expenditure of Investment property

Rental Income from Investment Properties	3.82		3.76
Direct Operating Expenses	<u>0.87</u>		<u>0.73</u>
Profit arising from Investment Properties before Depreciation and indirect expenses	2.95		3.03
Less: Depreciation	<u>(2.97)</u>		<u>(2.97)</u>
Profit arising from Investment Properties before indirect expenses	<u>(0.02)</u>		<u>0.06</u>
Fair Value of Investment Property	<u>516.92</u>		<u>—</u>

Notes:

- (i) The Company measured all of its Investment Properties at Cost in accordance with Ind AS 40.
- (ii) The fair valuation of these investment property are determined by an independent valuer, who is a specialist in valuing these types of investment properties.
- (iii) The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- (iv) Fair value hierarchy disclosures for investment properties have been provided in Note No. 45.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at As at As at As at
31-03-2018 31-03-2017 **31-03-2018** 31-03-2017

NOTE NO. 8

INVESTMENT IN ASSOCIATES

Name of the Company	Face Value ₹ per share	No. of shares	No. of shares	Amount	Amount
Investment in Equity Instruments					
1) Quoted					
The Ramco Cements Limited	1.00	38,83,200	38,83,200	14,447.18	13,624.97
Rajapalayam Mills Limited	10.00	29,740	29,740	199.82	185.35
The Ramaraju Surgical Cotton Mills Limited	10.00	2,200	1,100	3.93	3.50
Sub-Total (A)				14,650.93	13,813.82
2) Unquoted					
Ramco Windfarms Limited	1.00	6,15,000	4,55,000	69.97	37.75
Ontime Industrial Services Limited	10.00	26,350	2.64	35.84	31.27
JKR Enterprise Limited	1.00	100	100	-	-
Sub-Total (B)				105.81	69.02
Grand-Total (C) = (A) + (B)				14,756.74	13,882.84
The Ramaraju Surgical Cotton Mills Limited issued bonus shares in the ratio of 1:1 during the financial year 2017-18.					
II. Investment in Preference Shares					
1) Unquoted					
JKR Enterprise Limited - 9% Cumulative Redeemable Preference Shares	1.00	7,95,00,000	7,95,00,000	795.00	795.00
Sub-Total (D)				795.00	795.00
Quoted Investments - Cost				14,650.93	13,813.82
Market Value				28,430.20	26,372.71
Unquoted Investments - Cost (E) = (B) + (D)				900.81	864.02
Grand Total (C) + (D)				15,551.74	14,677.84
Other Investment					
III. Investment in Equity Instruments - Unquoted					
ARS Energy Private Limited	10.00	160	200	0.44	0.55

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018 As at
31-03-2018

NOTE NO. 9

OTHER FINANCIAL ASSETS - (NON CURRENT)

Unsecured, considered good

Security Deposits with Electricity Board / Others	<u>435.63</u>	<u>502.84</u>
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NOTE NO. 10

OTHER NON CURRENT-ASSETS

Unsecured, considered good

Other Non-Current Assets	<u>4.03</u>	<u>4.03</u>
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NOTE NO. 11

INVENTORIES

(Valued at lower of cost or Net realisable value)

Finished Goods	1,609.07	1,319.51
Rawmaterials - Cotton & Cotton Waste	3,604.89	4,335.70
Stores and Spares	109.98	89.10
Works-in-progress (Cotton Yarn)	<u>1,026.53</u>	<u>1,034.89</u>
	<u>6,350.47</u>	<u>6,779.20</u>

Note:

The total carrying amount of inventories as at reporting date has been pledged as Security for Borrowings.

NOTE NO. 12

TRADE RECEIVABLES

Unsecured, considered good

Trade Receivables more than Six months	57.65	57.65
Other Trade Receivables	3,068.80	2,119.51
	<u>3,126.45</u>	<u>2,177.16</u>

- (a) Trade receivables are non-interest bearing and are generally on terms of 30 to 35 days.
- (b) No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (c) The total carrying amount of trade receivables has been pledged as security for Borrowings.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018 As at
31-03-2018

NOTE NO. 13

CASH AND CASH EQUIVALENTS

Cash on Hand	3.43	2.17
Balance with Bank		
In Current Account	19.77	94.96
In Deposit Account for Margin Money	50.66	254.36
Cheque on Hand	1.40	5.63
	75.26	357.12

NOTE NO. 14

BANK AND BANK BALANCES

In Unclaimed Dividend Warrant Account	3.61	4.36
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NOTE NO. 15

OTHER FINANCIAL ASSETS (CURRENT)

Security Deposit	12.00	12.00
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NOTE NO. 16

LOANS AND ADVANCES (CURRENT ASSETS)

Unsecured, considered good

Advance to Suppliers / Others	1,123.76	917.32
Accrued Income	624.35	628.78
Prepaid Expenses	124.29	117.04
Other Current Assets	2.72	42.73
	1,875.12	1,705.87

NOTE NO. 17

TAX ASSETS

Other Current Assets	310.95	310.04
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NOTE NO. 18

EQUITY SHARE CAPITAL

Authorised

30,00,000 Equity Shares of ₹ 10/- each (PY : 30,00,000 Equity shares of ₹ 10/-each)	300.00	300.00
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Issued, Subscribed and Fully paid-up

15,00,000 Equity Shares of ₹ 10/- each (PY : 15,00,000 Equity shares of ₹ 10/-each)	149.98	149.98
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	149.98	149.98
--	--------	--------

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- a) (5,00,000 Equity Shares of ₹ 10/- each were allotted as fully paid Bonus Shares by Capitalisation of Reserves).
b) Reconciliation of the number of shares outstanding: (₹ in Lakhs)

Particulars	As at 31-03-2018		As at 31-03-2017	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning	15,00,000	150.00	15,00,000	150.00
Number of Shares at the end	15,00,000	150.00	15,00,000	150.00

- c) Rights / Restrictions attached to Equity Shares

The Company has one class of equity shares having a face value of ₹ 10/- each. Each Shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- d) List of Shareholders holding more than 5 percent in the Company.

Particulars	As at 31-03-2018		As at 31-03-2017	
	No. of Shares	% of holding	No. of Shares	% of holding
Shri P.R. Ramasubrahmaneya Rajha	-	-	2,12,280	14.15%
Smt. R. Sudarsanam	81,000	5.40%	81,000	5.40%
Smt. S. Sharada Deepa	6,80,280	45.35%	4,60,180	30.68%

NOTE NO. 19

OTHER EQUITY

Capital Reserve	11,953.11	11,925.26
Securities Premium Reserve	25.00	25.00
General Reserve	1,468.00	1,477.72
Retained Earnings	2,509.65	1,626.66
	<u>15,955.76</u>	<u>15,054.64</u>

Capital Reserve

Represents the difference between the shares allotted to the Share Holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

Securities Premium Reserve

Represents excess of share subscription money reserved over par value of shares.

General reserve

The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.

Retained earnings

Represents that portion of the net income of the Company that has been retained by the Company.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018

As at
31-03-2017

NOTE NO. 20

NON CURRENT BORROWINGS

Secured

Term Loan from Banks * 5,480.66 7,371.64

Unsecured

Working Capital Term Loan from Financial Institutions 2,000.00 1,000.00
7,480.66 8,371.64

* a) Term Loan from Banks are secured by pari-passu first charge on all the Fixed Assets of the Company and pari-passu second charge on the Current Assets of the Company.

b) The Long Term Borrowings from Banks are repayable in quarterly installments. The year wise repayment is as follows:

Year	Amount	Amount
2018-19	–	3,463.00
2019-20	3,791.66	3,246.00
2020-21	1,807.00	1,171.00
2021-22	1,137.00	491.64
2022-23	554.00	–
2023-24	104.00	–
2024-25	87.00	–
	<u>7,480.66</u>	<u>8,371.64</u>

NOTE NO. 21

PROVISION (NON - CURRENT)

Provision for Employee Benefits [Refer to Note No. 38] 151.04 142.03

NOTE NO. 22

DEFERRED INCOME

Government Grants 48.72 51.40

NOTE NO. 23

DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability

Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961 2,226.75 2,720.71
Tax effect on Fair Value Measurement – –

Deferred Tax Asset

Tax effect on unabsorbed depreciation under Income Tax Act, 1961 (1,537.46) (1,769.62)
Tax effect on Provision for Bonus and Leave Encashment (73.26) (76.77)

Net Deferred Tax Liability 616.03 874.32

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31-03-2018	As at 31-03-2017
NOTE NO. 24		
CURRENT BORROWINGS		
Secured		
Loan Repayable on Demand from Banks *	8,434.65	9,578.60
Unsecured		
Loan Repayable on Demand from Banks	3,006.03	570.09
Loan from Related Parties [Refer to Note No.41(B) (i)]	410.80	145.35
Loan from Other Parties	2.25	153.12
	<u>11,853.73</u>	<u>10,447.16</u>
* Loan Repayable on Demand from Banks are secured by <i>pari-passu</i> first charge on the current assets of the Company and <i>pari-passu</i> second charge on the fixed assets of the Company.		
NOTE NO. 25		
TRADE PAYABLES		
Trade Payables	<u>121.42</u>	<u>179.90</u>
Terms and conditions of the above Financial Liabilities:		
Trade payables are non-interest bearing and are normally settled on 10 to 30 days.		
There are no dues to micro and small enterprises as at 31-03-2017 (PY: ₹ NIL). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
NOTE NO. 26		
OTHER CURRENT FINANCIAL LIABILITIES		
Current Maturities of Long Term Loans	3,913.00	3,442.00
Interest Accrued but not Due on Borrowings	25.97	29.48
Unpaid Dividends	3.61	4.36
Liabilities for Other Finance	192.99	457.81
	<u>4,135.57</u>	<u>3,933.65</u>
NOTE NO. 27		
PROVISIONS, CURRENT		
Provision for Employee Benefits	<u>225.50</u>	<u>201.72</u>
NOTE NO. 28		
LIABILITIES FOR CURRENT TAX		
Tax Liabilities - Other Current Liabilities	<u>239.31</u>	<u>242.15</u>

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018 As at
31-03-2017

NOTE NO. 29

REVENUE FROM OPERATION

Sale of Products

Yarn	20,275.82	20,479.39
Waste Cotton	<u>633.35</u>	<u>332.65</u>
	20,909.17	20,812.04

Other operating Revenues

Export Incentive	57.87	132.29
Job Work Charges Received	<u>328.17</u>	98.49
	<u>21,295.21</u>	<u>21,042.82</u>

NOTE NO. 30

FINANCE INCOME

Interest Receipts	<u>118.35</u>	<u>158.26</u>
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NOTE NO. 31

OTHER INCOME

Rent Receipts	3.95	3.94
Profit on Sale of Property, Plant and Equipment	0.44	0.91
Government Grants	2.68	9.96
Profit on Sale of Cotton	18.33	53.61
Miscellaneous Income	<u>4.77</u>	<u>3.99</u>
	<u>30.17</u>	<u>72.41</u>

NOTE NO. 32

COST OF MATERIALS CONSUMED

Rawmaterials Consumed

Cotton & Cotton Waste	<u>11,804.72</u>	<u>11,028.03</u>
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SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018 As at
31-03-2017

NOTE NO. 33

CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Opening stock

Finished Goods	1,319.51		1,427.43
Work-in-Progress	1,034.89	2,354.40	721.81 2,149.24

Closing Stock

Finished Goods	1,609.07		1,319.51
Work-in-Progress	1,026.53	2,635.60	1,034.89 2,354.40

Net (Increase) / Decrease in Stock

(281.20) (205.16)

NOTE NO. 34

EMPLOYEE BENEFITS

Salaries , Wages and Bonus	1,891.72		1,785.00
Contribution to Provident and Other Funds	188.63		294.17
Staff and Labour Welfare & Training Expenses	93.37		89.34
	<u>2,173.72</u>		<u>2,168.51</u>

NOTE NO. 35

FINANCE COSTS

Interest on Debts and Borrowings	1,732.21		1,809.14
Exchange differences regarded as an adjustment to borrowing costs	46.70		-
	<u>1,778.91</u>		<u>1,809.14</u>

NOTE NO. 36

DEPRECIATION

Depreciation of Plant, Property and Equipment	1,023.03		1,017.90
Amortization of intangible assets	4.93		7.40
Depreciation on Investment Properties	2.97		2.97
	<u>1,030.93</u>		<u>1,028.27</u>

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018

As at
31-03-2017

NOTE NO. 37

OTHER EXPENSES

Manufacturing Expenses

Power and Fuel	1,784.62	1,747.24
Packing Materials	307.77	282.23
Repairs to Buildings	84.78	44.32
Repairs to Plant and Machinery	521.21	555.18
Repairs - General	356.73	355.56
Jobwork Charges Paid	275.00	175.26
	3,330.11	3,159.79

Establishment Expenses

Managing Director's Remuneration	203.10	203.10
Rates and Taxes	44.66	50.02
Insurance	49.57	43.44
Postage and Telephone	11.36	12.13
Printing and Stationery	19.73	6.11
Travelling Expenses	37.55	37.09
Vehicle Maintenance	54.12	51.20
Directors Sitting Fees	11.10	8.55
Rent	1.60	0.84
Audit and Legal Expenses	15.43	17.05
Corporate Social Responsibility Expenses	2.70	3.02
Loss on Exchange Difference (net)	115.20	93.11
Miscellaneous Expenses	156.52	150.05
	722.64	675.71

Selling Expenses

Sales Commission	159.40	279.34
Export Expenses	121.07	101.81
Other Selling Expenses	79.64	112.67
	360.11	493.82
	4,412.86	4,329.32

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

As at
31-03-2018 As at
31-03-2017

NOTE NO. 38

Deferred Tax Recognised in the Statement of Profit and Loss

Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	(74.30)	(106.22)
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	(57.59)	282.46
Tax effect on Provision for Bonus and Leave Encashment	(10.30)	(46.25)
Tax effect due to change in Income Tax Rate	116.10	-
	(258.29)	129.99

NOTE NO. 39

CONTINGENT LIABILITIES

Guarantees given by the bankers on behalf of company		
- Parent	34.00	31.00
Demands/Claims not acknowledged as debts in respect of matters in appeals relating to		
- Parent	33.31	33.31
- Parent's share in Associate	1,616.74	1640.65

- i. Income Tax Assessment have been completed upto the Accounting Year ended 31st March, 2014 i.e. AY 2014-15.
- ii. Sales Tax Assessment has been completed upto the Accounting year 2015-16.
- iii. In respect of Electricity matters, Appeals / Writ petition are pending with TNERC / APTEL / High Court for various matters for which no provision has been made in the books of accounts to the extent of ₹ 340.42 Lakhs (PY: ₹ 340.42 Lakhs). In view of the various case laws decided in favour of the Company and in the opinion of the management, there may not be any tax liability on this matter.

NOTE NO. 40

As per Ind AS 19, the disclosures pertaining to "Employee Benefits" are given below:

(₹ in lakhs)

2017-18 2016-17

Defined Contribution Plan:

Employer's Contribution to Provident Fund	168.15	165.89
Employer's Contribution to Superannuation Fund	8.68	8.25

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

2017-18 2016-17

Details of the post retirement gratuity plan (Funded) are as follows:

Movements in the present value of define benefit obligation:

Opening defined Benefit Obligation	421.48	375.53
Current Service Cost	30.64	26.82
Interest Cost	29.06	28.487
Actuarial (gain) / loss	33.04	29.95
Benefits paid	(-) 30.26	(-) 39.29
Closing Defined Benefit obligation	484.57	421.48

Movement in the present value of plan assets:

Opening fair value of plan assets	507.51	389.21
Expected return on plan assets	35.97	34.54
Actuarial gain / (loss)	1.96	(-)1.35
Employer Contribution	0.95	124.39
Benefits paid	(-) 30.26	(-) 39.29
Closing fair value of plan assets	516.14	507.51

The amount included in the Statement of Financial position arising from the entity's obligation in respect of its define benefit plans:

Fair value of plan assets	516.14	507.51
Present value of obligation	484.57	421.48
Present value of Funded defined obligation	31.57	86.03

Cost of define benefit plan:

Current Service Cost	30.64	26.82
Interest Cost	(-) 6.31	(-)5.04
Net Cost Recognized in the Income Statement	24.33	21.78
Expected return on plan assets (To the extent it does not represent an adjustment to Interest Cost)	1.96	(-) 0.32
Actuarial (gain) / loss	33.05	29.94
Net Cost recognized in the Other Comprehensive Income	31.09	30.26

Major Categories of Plan Assets:

GOI Securities	-	-
Funds with LIC	516.14	507.51
Others	-	-
Total	516.14	507.51

Actuarial assumptions:

Discount rate p.a	7.72%	7.30%
Rate of escalation in salary p.a	4.00%	3.00%

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Estimate of Expected Benefit payments

Particulars	2017-18	2016-17
Year 1	16.89	16.95
Year 2	39.52	21.62
Year 3	26.77	28.50
Year 4	28.71	26.09
Year 5	38.54	30.67
Next 5 Years	304.39	305.24

Quantitative Sensitivity Analysis for Significant Assumptions

0.50% Increase in Discount Rate	34.37	29.02
0.50% Decrease in Discount Rate	38.71	32.41
0.50% Increase in Salary Growth Rate	38.63	32.49
0.50% Decrease in Salary Growth Rate	34.44	28.93

Details of Leave encashment plan (Unfunded) are as follows:

Movement in the present value of define benefit Obligation:

Opening defined Benefit Obligation	142.03	79.86
Current Service Cost	10.66	9.91
Interest Cost	9.94	5.83
Actuarial (gain) / loss	0.28	60.37
Benefits paid	(-) 11.86	(-) 13.95
Closing defined Benefit obligation	151.04	142.02

Movement in the present value of plan assets:

Opening fair value of plan assets	Nil	Nil
Expected return on plan assets	Nil	Nil
Actuarial gain / (loss)	Nil	Nil
Employer Contribution	11.86	13.94
Benefits paid	(-)11.86	(-) 13.94
Closing fair value of plan assets	Nil	Nil
Expected return of plan assets	Nil	Nil
Actuarial gain / (loss) on plan assets	Nil	Nil
Actual return on plan assets	Nil	Nil

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	2017-18	2016-17
The amount included in the Statement of Financial position arising from the entity's obligation in respect of its define benefit plans:		
Fair value of plan assets	NIL	NIL
Present value of obligation	151.04	142.02
Present value of Funded define obligation	151.04	142.02
Cost of define benefit Plan:		
Current Service Cost	10.66	9.91
Interest Cost	9.94	5.83
Actuarial (gain) / loss	0.28	60.38
Net Cost recognized in the Income Statement	20.88	76.12
Major Categories of Plant Assets:		
GOI Securities	NIL	NIL
Funds with LIC	NIL	NIL
Bank balance	NIL	NIL
Total		
Actuarial assumptions:		
Discount rate p.a	7.72%	7.30%
Rate of escalation in salary p.a	4.00%	3.00%
Estimate of Expected Benefit payments		
Year 1	6.21	5.61
Year 2	19.44	6.58
Year 3	15.14	12.68
Year 4	7.35	14.29
Year 5	4.19	5.16
Next 5 Years	100.71	111.61
Quantitative Sensitivity Analysis for Significant Assumptions		
0.50% Increase in Discount Rate	10.43	10.10
0.50% Decrease in Discount Rate	11.73	11.28
0.50% Increase in Salary Growth Rate	11.71	11.30
0.50% Decrease in Salary Growth Rate	10.45	10.08

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO. 41

DISCLOSURE OF INTERESTS IN ASSOCIATES UNDER EQUITY METHOD

Name of the Company	Location	Principal activities of Business
The Ramco Cements Limited	India	Manufacture of Building materials
Rajapalayam Mills Limited	India	Manufacturer of Cotton yarn
The Ramaraju Surgical Cotton Mills Limited	India	Manufacturer of Cotton yarn
Ramco Windframs Limited	India	Power Generation
Ontime Industrial Services Limited	India	Goods transport services

Name of the Company	% of Shareholding as at	
	31-03-2018	31-03-2017
The Ramco Cements Limited	1.65	1.63
Rajapalayam Mills Limited	0.40	0.40
The Ramaraju Surgical Cotton Mills Limited	0.06	0.06
Ramco Windframs Limited	6.15	4.55
Ontime Industrial Services Limited	9.36	9.36

Summarised financial information for Associates:

The summarized consolidated financial statements of the material associates are as below:

₹ in Lakhs

Balance Sheet	Non-current Assets	Investment in Associates	Current Assets	Non-current Liabilities	Current Liabilities	Total Equit
As at 31-03-2018						
The Ramco Cements Limited	5,65,696.00	20,064.00	1,30,042.00	1,19,331.00	1,85,643.00	4,10,828.00
As at 31-03-2017						
The Ramco Cements Limited	5,46,481.00	18,392.00	1,42,178.00	1,24,763.00	2,02,548.00	3,79,740.00

Note: The above financial information is amended to determine the share of interest in associates.

₹ in Lakhs

Profit and Loss	TRCL	
	31-03-2018	31-03-2017
Total Revenue	4,61,643.00	4,62,125.00
Profit before tax	79,128.00	85,691.00
Tax expenses	23,106.00	20,270.00
Profit after Tax	56,022.00	65,421.00
Share of profit in Associates	483.00	977.00
Other Comprehensive Income	(172.00)	(124.00)
Share of OCI of Associates	82.00	82.00
Total Comprehensive Income	56,415.00	66,356.00

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Fair Value of Investments

₹ in Lakhs

Name of the material Associates	31-03-2018	31-03-2017
The Ramco Cements Limited	14,447.18	13,624.97

Share of contingent Liabilities in respect of associates

Name of the material Associates	31-03-2018	31-03-2017
The Ramco Cements Limited	1,613.40	1639.59

Reconciliation to the carrying amount of investment in associates as on 31-03-2018:

Profit and Loss	TRCL	
	31-03-2018	31-03-2017
Entity's TCI	56,286.00	66,356.00
Entity's Adjusted TCI	55,060.00	66,198.33
Effective shareholding %	1.65%	1.63%
Associates share of profit / OCI	938.71	1079.74
Less: Unrealised profit on inter-company transactions (net of tax)	-	-
Amount recognized in P & L	938.71	1079.74
Reconciliation		
Opening Carrying amount	13,624.97	12,545.24
Add: Associate's share of Profit / OCI	938.71	1079.73
Less: Dividend received	116.50	-
Net Carrying amount	14,447.18	13,624.97

Notes:

- Adjusted TCI represents total comprehensive income of the entity after eliminating effects of reciprocal interests and unrealized profits.
- Effective shareholdings represent the aggregate of direct holding and indirect holding through fellow associates.

The Group's aggregate share of profit and other comprehensive income in its individually immaterial associates are furnished below:

Aggregate amounts of Group's share of:	31-03-2018	31-03-2017
Profit after Tax	32.57	88.27
Other Comprehensive Income	0.60	(0.19)
Total Comprehensive Income	33.17	88.08

NOTE NO. 42

EARNINGS PER SHARE

Particulars	31-03-2018	31-03-2017
Net profit after tax (₹ in Lakhs) (A)	908.31	1,369.79
Weighted average number of Equity shares [In Lakhs] (B)	15.00	15.00
Nominal value per equity share (in ₹)	10.00	10.00
Basic & Diluted Earnings per share (A)/(B) in ₹	60.56	91.33

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO. 43

RELATED PARTY TRANSACTIONS

Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31st March 2018:

a. Associates Company

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-03-2018	31-03-2017
The Ramco Cements Limited	India	1.65	1.63
Rajapalayam Mills Limited	India	0.40	0.40
The Ramaraju Surgical Cotton Mills Limited	India	0.06	0.06
Ramco Wind Farms Limited	India	6.15	4.55
Ontime Industrial Services Limited	India	9.36	9.36

b. Key Managerial Personnel (including KMP under Companies Act, 2013)

Name of the Key Management Personnel	Designation
Shri P.R. Ramasubrahmaneya Rajha	Chairman (upto 01.05.2017)
Shri P.R. Venketrama Raja	Chairman (from 04.06.2017)
Smt. S. Sharada Deepa	Managing Director
Shri V. Gurusamy	Chief General Manager - (Finance) cum Secretary
Shri S.S. Ramachandra Raja	Non-Executive Director
Smt. R. Chittammal	Non-Executive Director
Shri N.K. Shrikantan Raja	Independent Director
Shri S.R. Srirama Raja	Non-Executive Director
Shri Arunkumar Goenka	Non-Executive Director
Shri S. Kanthimathinathan	Non-Executive Director
Shri P.A.S. Alaghar Raja	Independent Director

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

c. Relatives of Key Managerial Personnel

Name of the Relative of KMP	Relationship
Smt. Nalina Ramalakshmi	Sister of Shri. P.R. Venketrama Raja

d. Companies over which KMP / Relatives of KMP exercise significant influence

Thanjavur Spinning Mill Limited Sandhya Spinning Mill Limited Sri Harini Textiles Limited Rajapalayam Textile Limited	Sri Harini Media Limited
--	--------------------------

e. Employee Benefit Funds where control exists

Sri Vishnu Shankar Mill Limited Officers' Superannuation Fund Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund

f. Other entities over which there is a significant influence

PACR Sethurammal Charity Trust

Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:

a. Transactions during the year at Arm's length basis or its equivalent

Name of the Related party	(₹ in Lakhs)	
	2017-18	2016-17
i. Good Supplied / Services rendered		
Associates		
Rajapalayam Mills Limited	623.11	602.52
The Ramaraju Surgical Cotton Mills Limited	601.45	818.76
Companies over which KMP / Relative of KMP exercise significant Influence		
Ramco Industries Limited	904.07	340.18
Sandhya Spinning Mill Limited	697.14	282.20
Thanjavur Spinning Mill Limited	114.56	141.77
Rajapalayam Textile Limited	216.59	30.51
Sri Harini Textiles Limited	Nil	23.18
ii. Sale of Fixed Assets		
Associates		
Rajapalayam Mills Limited	Nil	3.15

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Name of the Related party	(₹ in Lakhs)	
	2017-18	2016-17
iii. Cost of Goods & Services purchased / availed		
Associates		
The Ramco Cements Limited	2.98	36.09
The Ramaraju Surgical Cotton Mills Limited	115.83	400.30
Rajapalayam Mills Limited	1420.02	1583.28
Ramco Windfarms Limited	241.23	270.27
Companies / Other entities over KMP / Relative of KMP exercise significant influence		
Ramco Industries Limited	594.93	255.86
Ramco Systems Limited	11.32	11.37
Sandhya Spinning Mill Limited	218.57	120.99
Thanjavur Spinning Mill Limited	4.12	14.80
Rajapalayam Textile Limited	208.91	8.15
Sri Harini Media Limited	Nil	0.70
Other entities over which there is significant influence		
PACR Sethurammam Charity Trust	60.34	14.70
iv. Purchase of Fixed Assets		
Thanjavur Spinning Mill Limited	Nil	82.12
v. Sale of Equity Shares of Ramco Windfarm Limited		
Associates		
Rajapalayam Mills Limited	1.61	Nil
The Ramaraju Surgical Cotton Mills Limited	0.19	Nil
vi. Purchase of Equity Shares of Ramco Windfarms Limited		
Companies / Other entities over KMP / Relative of KMP exercise significant influence		
Ramco Industries Limited	3.40	Nil
vii. Rent Received		
Associates		
JKR Enterprise Limited	1.40	1.20
viii. Dividend Received		
Associates		
The Ramco Cements Limited	116.50	Nil
Rajapalayam Mills Limited	1.19	Nil
The Ramaraju Surgical Cotton Mills Limited	0.01	Nil
ix. Rent Paid		
Relative of Key Managerial Personnel		
Smt. Nalina Ramalakshmi	0.69	0.66
x. Interest Paid / (Received)		
Key Managerial Personnel		
Smt. S. Sharada Deepa	44.05	6.33
Shri S.S. Ramachandra Raja	1.86	1.90
Smt. R.Chittammal	14.58	10.35

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in Lakhs)	
Name of the Related party		Value	
		2017-18	2016-17
ix. Sitting Fees			
	Key Managerial Personnel		
	Shri P.R. Ramasubrahmaneya Rajha	Nil	0.60
	Shri P.R. Venketrama Raja	0.75	0.30
	Smt. S. Sharada Deepa	0.60	0.45
	Shri S.S. Ramachandra Raja	1.65	1.05
	Smt. R. Chittammal	1.50	1.05
	Shri S.R. Srirama Raja	0.75	0.45
	Shri N.K. Shrikantan Raja	2.55	1.95
	Shri S. Kanthimathinathan	1.50	1.05
	Shri Arunkumar Goenka	0.15	0.15
	Shri P.A.S. Alaghar Raja	1.65	1.50
x. Remuneration to Key Management Personnel (Other than Sitting Fees)			
	Key Managerial Personnel		
	Smt. S. Sharada Deepa, Managing Director	203.10	203.10
	Shri V. Gurusamy, C.G.M. Finance Cum Secretary	28.23	22.03
xi. Contribution to Superannuation Fund / Gratuity Fund			
	Other entities over which there is a significant influence		
	Sri Vishnu Shankar Mill Limited Officers' Superannuation Fund	8.68	8.25
	Sri Vishnu Shankar Mill Limited Employees' Gratuity Fund	2.65	119.62
xii. Maximum amount of loans and advance / (borrowings) outstanding during the year			
	Key Managerial Personnel		
	Smt. S. Sharada Deepa	(1,103.19)	(356.13)
	Shri S.S. Ramachandra Raja	(20.61)	(18.94)
	Smt. R. Chittammal	(173.16)	(125.40)
xiii. Usage charges paid for Power Consumed by virtue of Joint Ownership of Shares with APGPCL			
	Associates		
	The Ramco Cements Limited	3.47	1.92

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
Name of the Related party	31-03-2018	31-03-2017
b. Outstanding balance including commitments		
i. Borrowings:		
Key Managerial Personnel		
Shri S.S. Ramachandra Raja	20.61	18.94
Smt. R. Chittammal	171.28	125.40
Smt. S. Sharada Deepa	68.04	1.01
ii. Security deposit paid by virtue of Joint Ownership of shares with APGPCL		
Associates		
The Ramco Cements Limited	12.00	12.00
c. Disclosure of Key Management Personnel compensation in total and for each of the following categories:		
Particulars	31-03-2018	31-03-2017
Short - Term Benefits [1]	217.41	208.17
Defined Contribution Plan [2]	25.81	25.50
Defined Benefit Plan / Other Long-Term Benefits [3]	-	-
Total	243.22	233.67

1. It includes bonus, sitting fees, and value of perquisites.
2. It includes contribution to Provident fund and Superannuation fund
3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO. 44

SEGMENT INFORMATION FOR THE YEAR ENDED 31-03-2018

(₹ in Lakhs)

Particulars	Textiles		Power from Windmills		Total	
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
REVENUE						
External Sales (Net)	22,990.45	22,666.06	–	–	22,990.45	22,666.06
Inter Segment Sale	–	–	1,695.24	1,623.24	1,695.24	1,623.24
Total Sales	22,990.45	22,666.06	1,695.24	1,623.24	24,685.69	24,289.30
Other Income	266.22	230.68	–	–	266.22	230.68
Total Revenue	23,256.67	22,896.74	1,695.24	1,623.24	24,951.91	24,519.98
RESULT						
Segment Profit	468.80	1,232.92	1,051.58	960.00	1,520.38	2,192.92
Unallocated Income	–	–	–	–	(118.35)	(158.27)
Unallocated Expenses	–	–	–	–	–	–
Operating Profit	–	–	–	–	1,402.03	2,034.65
Interest Expenses	–	–	–	–	1,718.46	1,705.22
Interest Income	–	–	–	–	118.35	158.26
Provision for Taxation	–	–	–	–	–	–
Current Tax	–	–	–	–	–	93.15
Income Tax related to earlier years	–	–	–	–	–	57.24
Deferred Tax	–	–	–	–	(258.29)	129.99
Profit from ordinary activities	–	–	–	–	60.21	207.32
Other Comprehensive Income	–	–	–	–	(31.40)	(29.95)
Exceptional Items	–	–	–	–	–	–
Net Profit	–	–	–	–	28.81	177.37
OTHER INFORMATION						
Segment Assets	23,462.22	22,761.28	2,800.74	3,044.85	26,262.96	25,806.13
Unallocated Assets	–	–	–	–	–	–
Total Assets	–	–	–	–	26,262.96	25,806.13
Segment Liabilities	959.84	1,257.46	–	–	959.84	1,257.46
Unallocated Liabilities	–	–	–	–	23,912.15	23,186.49
Total Liabilities	–	–	–	–	24,871.99	24,443.95
Capital Expenditure	1,270.26	458.76	–	–	1,270.26	458.76
Unallocated Capital Expenditure	–	–	–	–	–	–
Depreciation	812.74	836.00	218.19	192.28	1,030.93	1,028.28
Unallocated Depreciation Expenditure	–	–	–	–	–	–
Non-Cash expenses other than Depreciation	–	–	–	–	–	–

NOTE NO. 45

DISCLOSURE OF FAIR VALUE MEASUREMENTS

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Financial Instruments by category

(₹ in Lakhs)

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-03-2018					
Financial Assets					
Investments In Preference Shares	795.00	–	–	795.00	795.00
Other Investments	0.44	–	–	0.44	0.44
Loans	0.00	–	–	0.00	0.00
Trade Receivables	3126.45	–	–	3126.45	3126.45
Cash and Cash Equivalents	75.26	–	–	75.26	75.26
Bank Balance other than Cash and Cash Equivalents	3.61	–	–	3.61	3.61
Other Financial Assets	12.00	–	–	12.00	12.00
Financial Liabilities					
Borrowings	7480.66	–	–	7480.66	7480.66
Trade Payables	121.43	–	–	121.43	121.43
Other Financial Liabilities	4,135.57	–	–	4,135.57	4,135.57
As at 31-03-2017					
Financial Assets					
Investments In Preference Shares	795.00	–	–	795.00	795.00
Other Investments	0.55	–	–	0.55	0.55
Loans	0.00	–	–	0.00	0.00
Trade Receivables	2181.49	–	–	2181.49	2181.49
Cash and Bank Balances	357.12	–	–	357.12	357.12
Bank Balance other than Cash and Cash Equivalents	4.36	–	–	4.36	4.36
Other Financial Assets	12.00	–	–	12.00	12.00
Financial Liabilities					
Borrowings	8371.64	–	–	8371.64	8371.64
Trade Payables	142.03	–	–	142.03	142.03
Other Financial Liabilities	3933.65	–	–	3933.65	3933.65

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (Unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The details of financial instruments that are measured at fair value on recurring basis are given below:

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investment in unlisted securities				
As at 31-03-2018	–	–	0.44	0.44
As at 31-03-2017	–	–	0.55	0.55

Valuation techniques used to determine the fair value

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities	Market Value	Closing Price as at 31 st March in Stock Exchange
Investment in Unlisted securities	At Book Value	Insignificant Value
Foreign Exchange forward contracts	Mark to Market	Based on MTM valuating provided by Banker

NOTE NO. 46

FINANCIAL RISK MANAGEMENT

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and Cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. In case of Corporate / Export Customer, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

(₹ in Lakhs)

As at 31-03-2018	Due less than 45 days	46 to 90 days	91 to 180 days	More than 180 days	Total
Gross carrying amount	2,276	456	319	54.65	3106
Expected Loss Rate	0%	0%	0%	0%	0%
Expected Credit Losses	0%	0%	0%	0%	0%
Carrying amount of trade receivables net of impairment	2,276	456	319	54.65	3106

As at 31-03-2017	Due less than 45 days	46 to 90 days	91 to 180 days	More than 180 days	Total
Gross carrying amount	1,886.00	147.00	122.00	57.65	2,212.65
Expected Loss Rate	0%	0%	0%	0%	0%
Expected Credit Losses	0%	0%	0%	0%	0%
Carrying amount of trade receivables net of impairment	1886.00	147.00	122.00	57.65	2212.65

Financial Instruments and Cash deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with Banks. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Financial arrangements

The Company has access to the following undrawn borrowing facilities: (₹ in Lakhs)

Particulars	31-03-2017	31-03-2016
Expiring within one year		
Bank Overdraft and other facilities	3,868.00	1,751.00
Term Loans	-	1,200.00
Expiring beyond year		
Term Loans	-	-

Maturities of Financial Liabilities

(₹ in Lakhs)

Nature of Financial Liability	< 1 Year	1 - 5 Years	>5 years	Total
As at 31-03-2018				
Borrowings from Banks	3,913.00	7,480.66	-	11,393.66
Trade payables	121.42	-	-	121.42
Other Financial Liabilities (Incl. Interest)	222.56	-	-	222.56
As at 31-03-2017				
Borrowings from Banks	3,442.00	8,372	-	11,814
Trade payables	179.90	-	-	179.90
Other Financial Liabilities (Incl. Interest)	491.65	-	-	491.65

Foreign Currency Risk

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of cotton, capital goods & spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract after taking into consideration the anticipated Foreign exchange inflows/outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

The Company's exposure to foreign currency risk (un-hedged) as detailed below:

Currency	Trade Payables	Trade and other Receivables	Balance with Banks	Foreign Currency Loan
USD in Millions				
As at 31-03-2018	-	-	-	-
As at 31-03-2017	-	-	-	0.19
EURO in Millions				
As at 31-03-2018	-	-	-	-
As at 31-03-2017	-	-	-	-

Risk sensitivity on foreign currency fluctuation

(₹ in Lakhs)

Foreign Currency	31-03-2018	31-03-2017
	1% Increase	1% increase
USD	-	(-) 1.23

SRI VISHNU SHANKAR MILL LIMITED, RAJAPALAIYAM

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Cash flow and fair value interest rate risk

(₹ in Lakhs)

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position.

Interest rate risk exposure

Particulars	31-03-2018	01-04-2017
Variable rate borrowings	22,834.34	21,781.10
Fixed rate borrowings	-	181.96

The Company does not have any interest rate swap contracts

Sensitivity on Interest rate fluctuation

Incremental Interest Cost works out to	31-3-2018	31-3-2017
1% Increase in Interest Rate	228.34	217.80

NOTE NO. 47

CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the Shareholders' wealth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

Particulars	31-03-2018	01-04-2017
Long Term Borrowings	7,480.66	8,371.64
Current maturities of Long Term borrowings	3,913.00	3,442.00
Short Term Borrowings	11,440.68	19,148.69
Less: Cash and Cash Equivalents	79.15	361.48
Net Debt (A)	22,755.19	21,601.85
Equity Share Capital	150.00	150.00
Other Equity	1,241.26	1,403.00
Total Equity (B)	1,391.26	1,553.00
Total Capital Employed (C) = (A) + (B)	24,146.45	23,154.12
Capital Gearing Ratio (A) / (C)	94%	93%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans / borrowing. The Company has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2018 and 31-03-2017.

As per our report annexed

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No. 001208S

K. SRINIVASAN
Partner,
Membership No. 21510

Rajapalayam,
29th May, 2018.

Shri P.R. VENKETRAMA RAJA
CHAIRMAN

Smt. SHARADA DEEPA
MANAGING DIRECTOR

V. GURUSAMY
CHIEF GENERAL MANAGER (FINANCE) CUM SECRETARY

PROXY FORM

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

SRI VISHNU SHANKAR MILL LIMITED

U17301TN1981PLC008677

Regd. Office : Sri Vishnu Shankar Mill Premises, P.A.C. Ramasamy Raja Salai,
Post Box No.109, Rajapalayam, Tamil Nadu, Pin : 626 117.

Name of the Member(s) :

Registered address :

E-mail Id :

Folio No. / DP Id. Client Id. :

I/We, being the Member(s) of shares of the above named Company, hereby appoint

1. Name : Address :
E-mail Id : Signature : or failing him,

2. Name : Address :
E-mail Id : Signature : or failing him,

3. Name : Address :
E-mail Id : Signature :

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 37th Annual General Meeting of the Company, to be held on the Friday, the 10th August, 2018 at 10.30 AM at P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
	Ordinary Business
1	Adoption of Financial Statements for the year ended 31 st March, 2018
2	Appointment of Smt. R. Chittammal as Director, who retires by rotation
3	Appointment of Shri S. Kanthimathinathan as Director, who retires by rotation

Please see overleaf for Special Business

SRI VISHNU SHANKAR MILL LIMITED

U17301TN1981PLC008677

Regd. Office : Sri Vishnu Shankar Mill Premises, P.A.C. Ramasamy Raja Salai,
Post Box No.109, Rajapalayam, Tamil Nadu, Pin : 626 117.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I / We hereby record my/our presence at the 37th Annual General Meeting of the Company.

Venue : P.A.C. Ramasamy Raja Centenary Community Hall, Sudarsan Gardens,
P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108.

Date & Time : Friday, 10th August, 2018, at 10.30 AM

Name of the Member _____ Folio No/DP ID - Client ID _____

Name of the Proxy* _____ Signature of Member / Proxy Attending _____

*(To be filled in, if the proxy attends instead of the Member)

Resolution No.	Resolutions
Special Business - Special Resolution	
4	Re-appointment of Shri N.K. Shrikantan Raja as Independent Director for further period of 5 years
5	Sale of portion of M/s. The Ramco Cements Limited shares to the Related Parties
Special Business - Ordinary Resolution	
6	Ratification of fee payable to Shri M. Kannan, Cost Accountant, appointed as Cost Auditor of the Company for the financial year 2018-19.

Signed this..... day of 2018

Affix Revenue Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



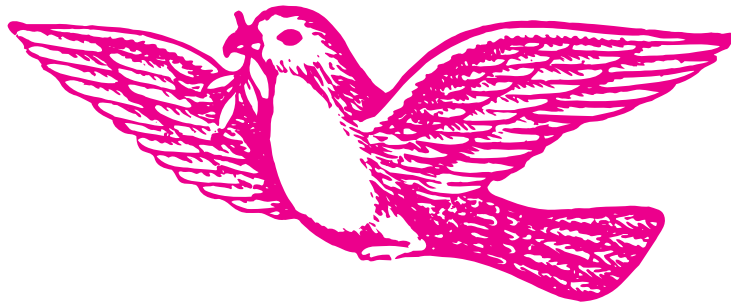
Shri. N.R.K. Ramkumar Raja receiving First Prize from our Chairman on the Pongal Sports day event under VIP Contest.

Company has received best 5S practices certificate for world class workplace organizing system in Spinning Industries from M/s. ABK-AOTS DOSOKAI, Chennai.



Latest Automatic Cone winding Machine Installed at our unit.

SRI VISHNU SHANKAR MILL LIMITED



RAJAPALAIYAM