

Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

RO/MS/SEC- 165 /2019

July 24, 2019

The Secretary
Bombay Stock Exchange Limited
25, Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI 400 001

Dear Sir,

Ref: Company Code – 521161
ISIN – INE456D01010

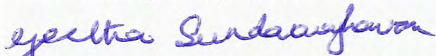
Sub: Submission of Annual Report for the year 2018-19 as per Reg 34(1) of SEBI
LODR Regulation, 2015

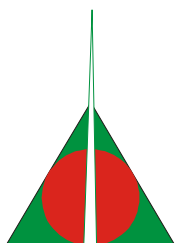
We submit herewith the Annual Report for the year 2018-19 as per Reg.34(1) of SEBI
LODR Regulation, 2015, alongwith Notice of 55th Annual General Meeting of the
company to be held at 02.30 P.M. on Wednesday, August 28, 2019 at Rani Seethai Hall,
603 Mount Road, Chennai-600 006

Please take the above on record. .

Thanking you,

Yours faithfully,
for **SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED**


**(GEETHA SUNDARARAGHAVAN)
COMPANY SECRETARY**



**SRI LAKSHMI SARASWATHI TEXTILES
(ARNI) LIMITED**

**55 th
Annual Report 2018 - 2019**

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
(CIN : L17111TN1964PLC005183)

ANNUAL REPORT 2018-19



SRI B. RAJAGOPAL NAIDU 1901 - 73
OUR REVERED FOUNDER

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Sri Lakshmi Saraswathi Textiles (Arni) Limited

(CIN : L17111TN1964PLC005183)

BOARD OF DIRECTORS

SRI. BALAKRISHNA S
Managing Director & Chief Executive Officer

SRI. R.PADMANABAN
Joint Managing Director & Chief Financial Officer

SRI J. M. GROVER
Independent Director

SRI R. SAMBASIVAN
Independent Director

Ms. SIVARANI J
Director

COMPANY SECRETARY

Smt. Geetha Sundararaghavan

REGISTERED OFFICE

16, Krishnama Road,
Nungambakkam,
Chennai 600 034.
Phone No. 044 – 28277344
Email: slst@slstarni.com

Email ID of the grievance redressal division
slstgrievances@gmail.com

Website:

www.slstindia.com

FACTORY ADDRESS

Raghunathapuram,
Sevoor Village,
PIN 632 316
Arni Taluk, Tiruvannamalai District, Tamil Nadu

REGISTRARS & SHARE TRANSFER AGENTS

Cameo Corporate Services Limited
Subramanian Building,
No.1 Club House Road,
Chennai 600 002
Phone No: 044-28460390
Email: investor@cameoindia.com

BANKERS

Indian Overseas Bank
Chennai House
Esplanade
Chennai - 600 108

State Bank of India,
Leather & International Branch,
'MVJ' Tower, 177/1 PH Road,
Chennai - 600 010

AUDITORS :

STATUTORY AUDITORS

M/s.B.Purushottam & Co.
Chartered Accountants
No.30, Mandira Apartments,
23A, North Boag Road,
T-Nagar, Chennai – 600 017

SECRETARIAL AUDITORS

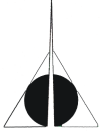
M/s. A.K.JAIN & ASSOCIATES
Company Secretaries
No. 2, Raja Annamalai Road,
First Floor, Purasawalkam,
Chennai - 600 084

COST AUDITOR

Sri R.Sankar
Plot No.6, D.No.5/1153,
L.G.Nagar, Madipakkam,
Chennai – 600 091

INTERNAL AUDITORS

J. Sivakumar & Co.
B-9, Kanakambujam Apartments,
No.14, 6th Avenue,
Ashok Nagar,
Chennai – 600 083.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fifty Fifth Annual General Meeting of the Company will be held at 02.30 P.M. on Wednesday, August 28, 2019 at Rani Seethai Hall, 603 Mount Road, Chennai -600 006, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31st March 2019 and the Reports of the Directors and Auditors thereon.

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

"RESOLVED that the Audited Financial Statements of the company for the year ended 31st March 2019, alongwith the Reports of the Directors and Auditors thereon, be and are hereby approved and adopted"

2. To appoint a Director in the place of Sri R.Padmanaban (holding Din 00084579) who retires by rotation and being eligible, offers himself for reappointment.

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

"RESOLVED that Sri R.Padmanaban, (holding DIN 00084579) Director, who retires by rotation and being eligible for reappointment, be elected as a Director of the Company".

SPECIAL BUSINESS

3. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2020 and in this regard, to consider and if thought fit, to 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, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs.75,000/- (Rupees Seventy Five Thousand Only) and government tax/ duty if any on the fee and traveling and out of pocket expenses on actual basis, whenever his services are required out of Chennai, payable to Sri R.Sankar, Cost Auditor, (Firm Registration No.102784) appointed as the Cost Auditor of the Company by the Board of Directors, for the financial year 2019-20 for conducting the audit of the Cost Records of the Company, be and is hereby ratified and confirmed.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board
For SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED

(BALAKRISHNA S)
Chairman & Managing Director

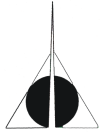
Place: Chennai
Date : May 28, 2019



Sri Lakshmi Saraswathi Textiles (Arni) Limited

NOTE:

1. The statement pursuant to Section 102 of Companies Act 2013, which sets out details relating to Special Business at the meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. The Proxy form duly stamped and executed should be deposited at the Registered Office of the Company atleast forty eight hours before the time fixed for the commencement of the Meeting.
4. Members/ Proxies are requested to bring the attendance slip duly filled in for attending the meeting
5. Members who hold shares in the de-materialized form are requested to bring their depository account number for easier identification of attendance at the meeting
6. The Register of Members and Share Transfer Books of the Company will remain closed from August 22, 2019 to August 28, 2019 (both days inclusive).
7. The ISIN No. allotted to the equity shares of your company for the purpose of de-materialization is **INE456D01010**
- 8a. Members holding shares in physical form are requested to notify the change in address, immediately. Members holding shares in the electronic form are requested to notify the change in address to their depository participants.
- 8b. Members may please note that as per SEBI (LODR) Regulations 2015, requests for effecting transfer of securities, except in case of transmission or transposition of securities, shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. 01.04.2019.
- 8c. In order to avoid any inconvenience in the future in dealing with the shares of the company, members are advised to update their PAN and Bank account details by submitting the following documents to the Registrar & Transfer Agent – Cameo Corporate Services Limited.
 - Copy of self- attested PAN card of the shareholders including joint holders, if any.
 - Bank a/c details of the first/sole shareholder.
 - Original cancelled cheque leaf with the name of the first/sole shareholder printed on it or copy of bank passbook showing name & account details of the account holder attested by the bank.
9. a) Members holding shares in physical form are requested to register their email ids with the Registrar / company for the purpose of sending Notice, Annual Reports and other communication by electronic mode.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

b) Members holding shares in electronic form are requested to register/ update their email ids with the depository participant for the purpose of sending Notice, Annual Reports and other communication by electronic mode.

10. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 55th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd, (CDSL):

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins at 9.00 AM on 25th August 2019 and ends at 5.00 PM on 27th August 2019. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date for e-voting) of August 21, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

(viii) If you are a first time user follow the steps given below:

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

Sequence Number: *Sequence no. has been provided as Sl.No.in the address label"*

To avoid this problem of filling a default number in future, members are strongly advised to update their PAN details and dividend bank details immediately with their Depository Participants / RTA – Cameo Corporate Services Limited / Company.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Company "Sri Lakshmi Saraswathi Textiles (Arni) Ltd" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



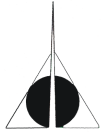
Sri Lakshmi Saraswathi Textiles (Arni) Limited

- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
 - o Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - o A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - o After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - o The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - o A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date for e-voting) of August 21, 2019.
- (xxiii) Any person who acquires shares after despatch of the Notice of Annual General Meeting and holding shares as on the cut-off date for evoting, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com
- (xxiv) Mr.Balu Sridhar, partner M/s.A.K.Jain and Associates, Company Secretaries, (CP NO. 3550) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxv) The Scrutinizer shall within a period not exceeding two(2) working days from the conclusion of the Annual General Meeting make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
- (xxvi) The Results shall be declared within 48 hours of the conclusion of AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.slindia.com and on the website of BSE within two (2) days of AGM of the Company.
11. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
12. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-19 is being sent in the permitted mode.
13. Electronic copy of the Notice of the 55th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 55th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

14. Members may also note that the Notice of the 55th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.slstindia.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: slst@slstarni.com.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
16. Details under Regulation 36, of SEBI (Listing Obligations and Disclosure Requirements). *Regulations 2015* in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
17. Pursuant to the provisions of Sec.124 and Sec 125 of Companies Act 2013/ Sec. 205A and 205C of Companies Act 1956, there was no transfer to the Investor Education and Protection Fund of the Central Government during 2018-19.
18. The Equity Shares of the Company are listed in the following Exchange:

BSE Limited,
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
MUMBAI 400 023

The company has paid the listing fees for 2019-20 to BSE Limited.

19. At this Annual General Meeting, Sri R.Padmanaban retires by rotation and being eligible, offers himself for reappointment.

Sri R.Padmanaban is an Engineer and has been with the Company since October 2000.

Details of other Directorships / Committee memberships held by him

| | |
|---|----------|
| 1) Sherhood Properties Private Limited | Director |
| 2) Masterjee Institute of Studies Pvt Ltd., | Director |
| 3) SLST Industries Ltd., | Director |

By order of the Board
For SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED

Place: Chennai
Date : May 28, 2019

(BALAKRISHNA S)
Chairman & Managing Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Sub 3:

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Subject 3 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2020.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 28.05.2019, had approved the appointment of Sri. R.Sankar, as Cost Auditor of the Company for conducting the audit of the Cost Records of the Company for the year 2019-20 at a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand Only) and government tax/ duty if any on the fee and traveling and out of pocket expenses on actual basis, whenever his services are required out of Chennai.

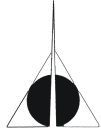
None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Subject 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Subject 3 of the Notice for approval by the members.

By order of the Board
For SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED

Place : Chennai
Date : May 28, 2019

(BALAKRISHNA S)
Chairman & Managing Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

FIFTY FIFTH ANNUAL REPORT

DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors present the Fifty Fifth Annual Report of the Company alongwith the audited statement of accounts for the year ended 31st March 2019.

1. WORKING RESULTS

| Details | Rs. in lakhs | Rs. in lakhs |
|---|--------------|--------------|
| Loss from business operation before Financial Expenses and Depreciation | | 401.29 |
| Add:- | | |
| 1) Financial Expenses | 165.19 | |
| 2) Depreciation | 145.43 | 310.62 |
| Current year Loss | | 711.91 |
| Loss carried forward from previous years | | 1582.30 |
| Loss carried forward | | 2294.21 |

2. PRODUCTION AND INCOME FROM OPERATIONS:

The production and income from operation of the current year and previous year are as under:

| Details | 2018-19 | 2017-18 |
|------------------------------------|----------|----------|
| Production in Kgs in Lakhs | 53.86 | 51.06 |
| Sales in Kgs in Lakhs | 55.62 | 51.77 |
| Revenue from operation Rs.in Lakhs | 12094.41 | 10551.61 |

3. DIVIDEND

Due to loss, your Directors do not recommend Dividend.

4. TRADE PROSPECT AND OUTLOOK

During 2018-19 the demand for yarn was reasonable. The increase in cost of raw material and cost of conversion were much higher than the increase in sale value of yarn. There was improvement in capacity utilization. Due to shortage of man power of required skill, utilization could not be improved to the optimum level. These factors contributed for erosion of margin.

5. CURRENT YEAR

The trend that prevailed in the year 2018-19 continues even in the first quarter of 2019-20. Steps are being taken to improve the capacity utilization. Your Directors are doing their best to improve the performance to a reasonable level.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sri R.Padmanaban retires by rotation and is eligible for reappointment.

Sri J M Grover was re-appointed for a second term as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years w.e.f. 01st April 2019 upto 31st March 2024 on the Board of the Company by the shareholders vide a Postal Ballot which concluded on February 28, 2019.

Sri R.Sambasivan was re-appointed for a second term as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years w.e.f. 01st April 2019 upto 31st March 2024 on the Board of the Company by the shareholders vide a Postal Ballot which concluded on February 28, 2019.

7. EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT 9 is given in **ANNEXURE 1**.

8. DETAILS OF MEETINGS OF BOARD AND COMMITTEES OF BOARD HELD DURING 2018-19.

- a) There were Five Board meetings held during the year 2018-19. The details and attendance record of Directors at the Board Meetings are as under.

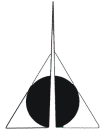
| Date of Meeting | Board's Strength (on the date of meeting) | No.of Directors Present |
|-----------------|--|----------------------------|
| 25/05/18 | 5 | 5 |
| 07/08/18 | 5 | 5 |
| 13/11/18 | 5 | 5 |
| 11/01/19 | 5 | 5 |
| 13/02/19 | 5 | 5 |

- b) There were four Audit Committee meetings held during the year 2018-19. The details and attendance record of Directors at the Audit Committee Meetings are as under.

| Date of Meeting | Committee's Strength (on the date of meeting) | No.of Directors Present |
|-----------------|--|-------------------------|
| 25/05/18 | 3 | 3 |
| 07/08/18 | 3 | 3 |
| 13/11/18 | 3 | 3 |
| 13/02/19 | 3 | 3 |

- c) There was one Independent Directors meetings held during the year 2018-19. The details and attendance record of Directors at the Independent meetings are as under.

| Date of Meeting | Number of Independent Directors (on the date of meeting) | No.of Directors Present |
|-----------------|--|-------------------------|
| 13/11/18 | 2 | 2 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

- d) There were two Nomination and Remuneration Committee Meetings held during the year 2018-19. The details and attendance record of Directors at the Nomination and Remuneration Committee meetings are as under.

| Date of Meeting | Committee's strength (on the date of meeting) | No.of Directors Present |
|-----------------|---|-------------------------|
| 13/11/18 | 3 | 3 |
| 11/01/19 | 3 | 3 |

- e) There was one Stakeholders Relationship Committee Meeting held during the year 2018-19. The details and attendance record of Directors at the Stakeholders Relationship Committee Meeting are as under.

| Date of Meeting | Committee's Strength (on the date of meeting) | No.of Directors Present |
|-----------------|---|-------------------------|
| 24.05.2018 | 4 | 4 |

- f) During 2018-19 there was no Corporate Social Responsibility Committee meeting.

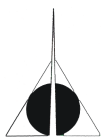
- g) Details of Attendance Record of Individual Directors, General, Board and Committee Meetings:

| Details | | Annual General Meeting | Board Meetings | Audit Committee Meetings | Nomination and Remuneration Committee Meetings | Stakeholders Relationship Committee Meeting | Corporate Social Responsibility Committee Meeting | Independent Directors Meetings |
|--|----------------------|------------------------|---------------------------------|--------------------------|--|---|---|--------------------------------|
| Total No.of Meetings held during 2018-19 | | 1 | 5 | 4 | 2 | 1 | - | 1 |
| S. No | Name of the Director | Whether attended | — Number of Meetings Attended — | | | | | |
| 1. | Sri Balakrishna S | Yes | 5 | N.A. | N.A. | 1 | -- | N.A. |
| 2. | Sri R.Padmanaban | Yes | 5 | N.A. | N.A. | 1 | -- | N.A. |
| 3. | Sri J M Grover | Yes | 5 | 4 | 2 | 1 | -- | 1 |
| 4. | Sri R Sambasivan | No | 5 | 4 | 2 | 1 | N.A. | 1 |
| 5. | Ms.Sivarani J | Yes | 5 | 4 | 2 | N.A. | N.A. | N.A |

9. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Directors state that –

1. In the preparation of Annual Accounts for the year ended 31st March 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March 2019, and of the profit/ loss of the company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.
5. The Directors had laid down Internal Financial Controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

10. INDEPENDENT DIRECTORS

- a) The Board of Directors state that declarations were given by Sri.J M Grover and Sri.R.Sambasivan, Independent Directors under sub section (6) of 149 of Companies Act, 2013.
- b) Terms and conditions of appointment of Independent Directors can be viewed at the company Website: www.slstindia.com

11. REMUNERATION POLICY

The Remuneration Policy was recommended by Nomination and Remuneration Committee at its meeting held on February 11, 2015 and adopted by the Board of Directors at its meeting held on the same day and the policy can be viewed at the company website www.slstindia.com

12. EXPLANATION TO OBSERVATIONS OF SECRETARIAL AUDITORS.

The Board of Directors wish to state that as stated in the Secretarial Audit Report, the company had obtained order from the National Company Law Tribunal, Chennai Bench, for an application filed vide SRN: G55959035 dt:12.10.2017 for compounding of offence under section 134 (3) (0) read with Section 135 of Companies Act, 2013.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any Loans, guarantees or Investments covered under Sec 186 of Companies Act 2013.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SEC 188(1) COMPANIES ACT 2013

- (a) i) Disclosure of details of Related Parties under employment of the company.

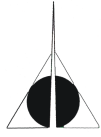
| Related Parties | Name of Director to whom related | Nature of relationship with Key Management persons | Salary, Allowance and Bonus Rs. | PF Rs. | Medical Benefit Rs. | Total Rs. |
|-------------------------------|----------------------------------|--|---------------------------------|--------|---------------------|-----------|
| Mr.R.Thirumalai | R.Padmanaban | Brother | 13,84,686 | 95,040 | 0 | 14,79,726 |
| Mr.R.Rajagopal | R.Padmanaban | Brother | 5,65,875 | 38,880 | 23,070 | 6,27,825 |
| Mr.Srish Jayender Balakrishna | Balakrishna S | Son | 5,65,875 | 38,880 | 27,000 | 6,31,755 |

- ii) Borrowing from Director

| A. | S.No. | Name of the Director | Year | Amount Borrowed Rs.in Lakhs |
|----|-------|--|---------|-----------------------------|
| | 1. | Sri R.Padmanaban, Joint Managing Director | 2018-19 | 319.20 |

- B. Amount outstanding as on 31st March 2019 Rs. 234.20 Lakhs
C. Interest Rs. 27.43 Lakhs

- (b) Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 in Form No. AOC 2 is provided in **ANNEXURE – 2.**



Sri Lakshmi Saraswathi Textiles (Arni) Limited

15. MATERIAL CHANGES

There are no material changes affecting the financial position of the company which occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

16. DETAILS TO BE DISCLOSED UNDER RULE 8(3) OF COMPANIES (ACCOUNTS), RULES 2014.

The information to be disclosed under RULE 8(3) OF COMPANIES (ACCOUNTS), RULES 2014 is given in **ANNEXURE – 3**.

17. RISK MANAGEMENT POLICY

The Board of Directors framed and adopted a Risk Management Policy at its meeting held on March 31, 2017 and the Risk Management Policy can be viewed at the Company website www.slstindia.com

18. 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 on March 23, 2017. The Board of Directors adopted a CSR Policy, as recommended by the CSR Committee, which is in line with Section 135 of the Companies Act, 2013, which can be viewed at the Company Website: www.slstindia.com.

As the company has incurred loss in the last 3 years, the company is not required to spend any amount on CSR.

The Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **ANNEXURE - 4**.

19. EVALUATION OF BOARD

The performance of Board, its Committee and individual directors are evaluated by No.of meetings held, time spent in each meeting deliberating the issues, quality of information / data provided to the member, the time given to them to study the details before each meeting, quality of the deliberation in each meeting, contribution of each director, the details of decision taken and measures adopted in implementing the decision and monitoring the continuous implementation of the decision and feedback to the Board.

20. DETAILS TO BE DISCLOSED UNDER RULE 8(5) OF COMPANIES (ACCOUNTS), RULES 2014.

The information to be disclosed under RULE 8(5) OF COMPANIES (ACCOUNTS), RULES 2014 is given in **ANNEXURE – 5**.

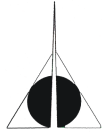
21. DISCLOSURE ON AUDIT COMMITTEE

a) The composition of the Audit Committee during the year is as below:

| | |
|-------------------|------------------|
| Member & Chairman | Sri J M Grover |
| Member | Sri R.Sambasivan |
| Member | Ms.Sivarani J |

All the members have wide exposure in the relevant areas.

b) The Board of Directors has accepted all recommendations of Audit Committee.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

22. ESTABLISHMENT OF WHISTLE BLOWER POLICY AND VIGIL MECHANISM

A Whistle Blower Policy and Vigil Mechanism was adopted by the Board of Directors at its meeting held on March 9, 2015. The policy can be viewed at the company website www.slstindia.com.

23. SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the year 2018-19 is provided in **ANNEXURE - 6**.

24. DETAILS TO BE DISCLOSED UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The required disclosures are provided in **ANNEXURE - 7**.

25. DETAILS TO BE DISCLOSED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- 1) Particulars of top ten employees in terms of remuneration drawn is given in **ANNEXURE - 8**
- 2) None of the employees was in receipt of remuneration in excess of the prescribed limit, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence there is no report under this category.

26. INFORMATION REQUIRED UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2014.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The company has in place a system to redress complaints received regarding sexual harassment in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013

All employees (permanent, contractual, temporary, apprentices and trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19.

| | | | |
|---|--------------------------------|---|-----|
| - | No of complaints received | - | Nil |
| - | No of complaints disposed off. | - | NA |

27. FINANCE

The Board of Directors thanks Indian Overseas Bank and State Bank of India for their continued assistance and co-operation.

28. LABOUR

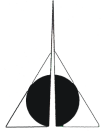
The relationship with labour continues to be cordial. Your Directors place on record their appreciation of the devoted services of the Officers, Members of the Staff and Workers during the year.

29. COST AUDIT

Your Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained,

The Cost Audit Report for 2017-18 was submitted to the Central Government on 21st August 2018.

The Costing Records are being audited by the Cost Auditor and he will be submitting his report for 2018-19 soon.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

30. AUDITORS

The members of the Company at the 54th Annual General Meeting, held on August 8, 2018 ratified the appointment of M/s.B.Purushottam & Co, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of the 54th Annual General Meeting till the conclusion of the 58th Annual General Meeting, which was originally approved by the members at the 53rd Annual General Meeting held on August 30, 2017.

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is given in **ANNEXURE - 9**

32. DISCLOSURE REGARDING ACCOUNTING TREATMENT.

In preparation of financial statement the treatment prescribed in all the applicable Accounting Standards are followed and no alternative treatment has been adopted.

33. CORPORATE GOVERNANCE REPORT

Regulation 15 of SEBI (Listing Obligations and Disclosure *Requirements*) *Regulations 2015*, does not apply to your company, as your company's equity share capital and net worth is below the threshold limit prescribed under the said Regulation and hence the Report on Corporate Governance is not provided.

34. DECLARATION BY CEO AFFIRMING COMPLIANCE WITH CODE OF CONDUCT

Declaration is given in **ANNEXURE – 10**

35. DECLARATION BY CEO REGARDING UNMODIFIED OPINION ON THE AUDIT REPORT.

Declaration is given in **ANNEXURE – 11**

36. COMPLIANCE CERTIFICATE REGARDING CORPORATE GOVERNANCE.

The certificate is not applicable as the provisions of Corporate Governance does not apply to your company.

37. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

There are no shares in demat suspense account or unclaimed suspense account.

38. STATEMENT OF DEVIATION/ VARIATION OF USE OF FUNDS RAISED THROUGH ANY PUBLIC ISSUE.

The company has not raised any fund through public, right or preferential issue of any security in recent time. Hence there is no Report on any deviation/ variation of the use of such funds.

39. DISCLOSURE OF COMPLIANCE WITH SECRETARIAL STANDARDS.

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

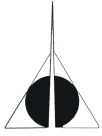
40. DIRECTORS' REPORT PLACED IN WEBSITE.

This Directors' report is placed in company's website and the same can be viewed at www.slstindia.com

By order of the Board
For SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED

Place : Chennai
Date : May 28, 2019

(BALAKRISHNA S)
Chairman & Managing Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure – 1

| |
|--|
| FORM NO. MGT 9 |
| EXTRACT OF ANNUAL RETURN |
| as on financial year ended on 31.03.2019 |
| Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company |
| (Management & Administration) Rules, 2014. |

I. REGISTRATION & OTHER DETAILS:

| | | |
|-----|--|---|
| i | CIN | L17111TN1964PLC005183 |
| ii | Registration Date | 02.05.1964 |
| iii | Name of the Company | Sri Lakshmi Saraswathi Textiles (Arni) Ltd |
| iv | Category/Sub-category of the Company | Public Company/ Limited by Shares |
| v | Address of the Registered office & contact details | 16, Krishnama Road, Nungambakkam, Chennai - 600 034, Ph: 044 28277344, 28270548, Email: slst@slstarni.com Web: www.slstindia.com |
| vi | Whether listed company | Yes |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s.Cameo Corporate Services Limited, Subramanian Building, No.1,Club House Road, Chennai-600002. Phone No: 044-28460390 Email: investor@cameoindia.com |

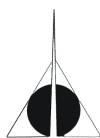
II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| SL No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|--------|---|----------------------------------|------------------------------------|
| 1 2 | Cotton Yarn Unbleached Cotton Yarn and Fibre | 17111 } 17111 } | 100% |

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| SI No | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------------------------------|-------------------------------|---------|--------------------------------------|------------------------|-----------------------|
| --- Not Applicable --- | | | | | |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

(i) Category-wise Share Holding

| Category of Shareholders | No. of shares held at the beginning of the year 01.04.2018 | | | | No. of shares held at the end of the year 31.03.2019 | | | | % 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 | 1835953 | 0 | 1835953 | 55.09 | 1835953 | 0 | 1835953 | 55.09 | 0.00 |
| b. Central Govt/State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c. Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d. Financial Institutions/Banks | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e. Any Other | | | | | | | | | |
| Sub - Total (A)(1) | 1835953 | 0 | 1835953 | 55.09 | 1835953 | 0 | 1835953 | 55.09 | 0.00 |
| 2. Foreign | | | | | | | | | |
| a. Individuals(Non-Resident Individuals/Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b. Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c. Institutions | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d. Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e. Any other | | | | | | | | | |
| Sub - Total (A)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Share Holding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2) | 1835953 | 0 | 1835953 | 55.09 | 1835953 | 0 | 1835953 | 55.09 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a. Mutual Funds / UTI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| b. Financial Institutions/Banks | 0 | 100 | 100 | 0.00 | 0 | 100 | 100 | 0 | 0.00 |
| c. Central Govt/State Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| d. Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| e. Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| f. Foreign Institutional Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| g. Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| h. Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| i. Any Other | | | | | | | | | |
| Sub - Total (B)(1) | 0 | 100 | 100 | 0.00 | 0 | 100 | 100 | 0.00 | 0.00 |
| 2. Non-Institutions | | | | | | | | | |
| a. Bodies Corporate | 60933 | 2800 | 63733 | 1.91 | 60404 | 2800 | 63204 | 1.90 | -0.02 |
| b. Individuals - | | | | | | | | | |
| I Individual shareholders holding nominal share capital upto Rs.1 Lakh | 481140 | 263686 | 744826 | 22.35 | 491489 | 251686 | 743175 | 22.30 | -0.05 |
| II Individual shareholders holding nominal share capital in excess of Rs.1 Lakh | 578916 | 0 | 578916 | 17.37 | 586016 | 0 | 586016 | 17.58 | 0.21 |
| c. Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d. Any Other | | | | | | | | | |
| Clearing Members | 1350 | 0 | 1350 | 0.04 | 0 | 0 | 0 | 0.00 | -0.04 |
| Directors and their Relatives | 200 | 30100 | 30300 | 0.91 | 13600 | 17100 | 30700 | 0.92 | 0.01 |
| Hindu Undivided Families | 77212 | 0 | 77212 | 2.32 | 0 | 0 | 0 | 0.00 | -2.32 |
| Non Resident Indians | 360 | 0 | 360 | 0.01 | 760 | 0 | 760 | 0.02 | 0.01 |
| Resident HUF | 0 | 0 | 0 | 0.00 | 72842 | 0 | 72842 | 2.19 | 2.19 |
| Others | 79122 | 30100 | 109222 | 3.27 | 87202 | 17100 | 104302 | 3.13 | -0.15 |
| Sub - Total (B)(2) | 1200111 | 296586 | 1496697 | 44.91 | 1225111 | 271586 | 1496697 | 44.91 | 0.00 |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 1200111 | 296686 | 1496797 | 44.91 | 1225111 | 271686 | 1496797 | 44.91 | 0.00 |
| TOTAL (A)+(B) | 3036064 | 296686 | 3332750 | 100.00 | 3061064 | 271686 | 3332750 | 100.00 | 0.00 |
| C. Shares Held By Custodians for GDRs and ADRs | | | | | | | | | |
| Promoter and Promoter Group | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Public | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Custodian (C) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A)+(B)+(C) | 3036064 | 296686 | 3332750 | 100.00 | 3061064 | 271686 | 3332750 | 100.00 | 0.00 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

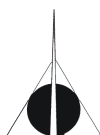
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(ii) Shareholding of promoters

| S. No. | Shareholder's Name | Shareholding at the beginning of the year 01.04.2018 | | | Shareholding at the end of the year 31.03.2019 | | | % 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 | S BALAKRISHNA | 784650 | 23.54 | 0.00 | 784650 | 23.54 | 0.00 | 0.00 |
| 2 | R THIRUMALAI | 226003 | 6.78 | 0.00 | 226003 | 6.78 | 0.00 | 0.00 |
| 3 | R. PADMANABHAN | 223900 | 6.72 | 0.00 | 223900 | 6.72 | 0.00 | 0.00 |
| 4 | R RAJAGOPAL | 220800 | 6.63 | 0.00 | 220800 | 6.63 | 0.00 | 0.00 |
| 5 | R PADMINI | 210600 | 6.32 | 0.00 | 210600 | 6.32 | 0.00 | 0.00 |
| 6. | SRISH JAYENDER BALAKRISHNA | 0 | 0.00 | 0.00 | 170000 | 5.10 | 0.00 | 5.10 |
| 7. | SHANTHA SRIHARI | 170000 | 5.10 | 0.00 | 0 | 0.00 | 0.00 | -5.10 |

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

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year-01.04.2018 | | Cumulative Shareholding during the year-31.03.2019 | | % change in share holding during the year |
|---------|--|--|----------------------------------|--|----------------------------------|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| 1 | S BALAKRISHNA | | | | | No Change |
| | At the beginning of the year 01-Apr-2018 | 784650 | 23.54 | 784650 | 23.54 | |
| | At the end of the Year 31-Mar-2019 | 784650 | 23.54 | 784650 | 23.54 | |
| 2 | R THIRUMALAI | | | | | No Change |
| | At the beginning of the year 01-Apr-2018 | 226003 | 6.78 | 226003 | 6.78 | |
| | At the end of the Year 31-Mar-2019 | 226003 | 6.78 | 226003 | 6.78 | |
| 3 | R. PADMANABHAN | | | | | No Change |
| | At the beginning of the year 01-Apr-2018 | 223900 | 6.72 | 223900 | 6.72 | |
| | At the end of the Year 31-Mar-2019 | 223900 | 6.72 | 223900 | 6.72 | |
| 4 | R RAJAGOPAL | | | | | No Change |
| | At the beginning of the year 01-Apr-2018 | 220800 | 6.63 | 220800 | 6.63 | |
| | At the end of the Year 31-Mar-2019 | 220800 | 6.63 | 220800 | 6.63 | |
| 5 | R PADMINI | | | | | No Change |
| | At the beginning of the year 01-Apr-2018 | 210600 | 6.32 | 210600 | 6.32 | |
| | At the end of the Year 31-Mar-2019 | 210600 | 6.32 | 210600 | 6.32 | |
| 6 | SRISH JAYENDER BALAKRISHNA | | | | | 5.10 |
| | At the beginning of the year 01-Apr-2018 | 0 | 0.00 | 0 | 0.00 | |
| | At the end of the Year 31-Mar-2019 | 170000 | 5.10 | 170000 | 5.10 | |
| 7 | SHANTHA SRIHARI | | | | | -5.10 |
| | At the beginning of the year 01-Apr-2018 | 170000 | 5.10 | 170000 | 5.10 | |
| | At the end of the Year 31-Mar-2019 | 0 | 0.00 | 0 | 0.00 | |

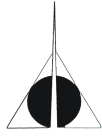


Sri Lakshmi Saraswathi Textiles (Arni) Limited

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

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

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year-01.04.2018 | | Cumulative Shareholding during the year ending 31.03.2019 | |
|---------|--|--|--|--|--|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | ANIL KUMAR GOEL At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 | 184100 184100 | 5.5239 5.5239 | 184100 184100 | 5.5239 5.5239 |
| 2 | R N RUBESH JT1 : N LALITHA At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 | 86606 86606 | 2.5986 2.5986 | 86606 86606 | 2.5986 2.5986 |
| 3 | RATHINASAMY NARAYANASAMY RUBESH At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 R N RUBESH At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 R N RUBESH At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 | 48594 48594 3684 3684 790 790 | 1.4580 1.4580 0.1105 0.1105 0.0237 0.0237 | 48594 48594 3684 3684 790 790 | 1.4580 1.4580 0.1105 0.1105 0.0237 0.0237 |
| 4 | MUKTILAL GANULAL PALDIWAL JT1 : TARADEVI MUKTILAL PALDIWAL At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 | 42658 42658 | 1.2799 1.2799 | 42658 42658 | 1.2799 1.2799 |
| 5 | PRAFUL H BHANDARI At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 PRAFUL H BHANDARI At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 PRAFUL H BHANDARI At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 PRAFUL H BHANDARI At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 PRAFUL HARAKCHAND BHANDARI At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 | 31595 31595 4951 4951 2000 2000 1000 1000 1 1 | 0.9480 0.9480 0.1485 0.1485 0.0600 0.0600 0.0300 0.0300 0.0000 0.0000 | 31595 31595 4951 4951 2000 2000 1000 1000 1 1 | 0.9480 0.9480 0.1485 0.1485 0.0600 0.0600 0.0300 0.0300 0.0000 0.0000 |
| 6 | N LALITHA JT1 : R N RUBESH At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 | 25841 25841 | 0.7753 0.7753 | 25841 25841 | 0.7753 0.7753 |
| 7 | MUKTILAL PALDIWAL JT1: RAJESH MUKTILAL PALDIWAL JT2: DINESH PALDIWAL At the beginning of the year 01-Apr-2018 Purchase 06-Apr-2018 At the end of the Year 31-Mar-2019 | 19491 5500 24991 | 0.5848 0.1650 0.7498 | 19491 24991 24991 | 0.5848 0.7498 0.7498 |
| 8 | RAJU AJIT BHANDARI At the beginning of the year 01-Apr-2018 Purchase 21-Sep-2018 Purchase 15-Mar-2019 At the end of the Year 31-Mar-2019 | 20563 100 1500 22163 | 0.6169 0.0030 0.0450 0.6650 | 20563 20663 22163 22163 | 0.6169 0.6199 0.6650 0.6650 |
| 9 | ABHAY KRISHI UDYOG PRIVATE LIMITED At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 | 16263 16263 | 0.4879 0.4879 | 16263 16263 | 0.4879 0.4879 |
| 10 | SAJJANMAL BETALA At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019 | 14691 14691 | 0.4408 0.4408 | 14691 14691 | 0.4408 0.4408 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

(v) Shareholding of Directors and Key Managerial Personnel:

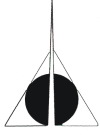
| Sl. No. | For each of the Directors and KMP | Shareholding at the beginning of the year 01.04.2018 | | Cumulative Shareholding during the year ending 31.03.2019 | |
|---------|---|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | S BALAKRISHNA (Director & CEO) | | | | |
| | At the beginning of the year 01-Apr-2018 | 784650 | 23.54 | 784650 | 23.54 |
| | At the end of the Year 31-Mar-2019 | 784650 | 23.54 | 784650 | 23.54 |
| 2 | R. PADMANABHAN (Director & CFO) | | | | |
| | At the beginning of the year 01-Apr-2018 | 223900 | 6.72 | 223900 | 6.72 |
| | At the end of the Year 31-Mar-2019 | 223900 | 6.72 | 223900 | 6.72 |
| 3. | SAMBASIVAN . R (Director) | | | | |
| | At the beginning of the year 01-Apr-2018 | 200 | 0.01 | 200 | 0.01 |
| | At the end of the Year 31-Mar-2019 | 200 | 0.01 | 200 | 0.01 |
| 4 | GEETHA SUNDARARAGHAVAN (Company Secretary) | | | | |
| | At the beginning of the year 01-Apr-2018 | 100 | 0.00 | 100 | 0.00 |
| | At the end of the Year 31-Mar-2019 | 100 | 0.00 | 100 | 0.00 |

V INDEBTEDNESS

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

(Rs. in Lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtness at the beginning of the financial year | | | | |
| i) Principal Amount | 39.23 | 320.20 | | 359.43 |
| ii) Interest due but not paid | 0.00 | 5.32 | | 5.32 |
| iii) Interest accrued but not due | 0.00 | 0.00 | | 0.00 |
| Total (i+ii+iii) | 39.23 | 325.52 | | 364.75 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 0.00 | 49.76 | | 49.76 |
| Reduction | 8.06 | 110.00 | | 118.06 |
| Net Change | (-) 8.06 | (-) 60.24 | | (-) 68.30 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 31.17 | 235.20 | | 266.37 |
| ii) Interest due but not paid | 0.00 | 30.08 | | 30.08 |
| iii) Interest accrued but not due | 0.00 | 0.00 | | 0 |
| Total (i+ii+iii) | 31.17 | 265.28 | | 296.45 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: 2018-19 (Rs. in Lakhs)

| Sl.No | Particulars of Remuneration | Name of the MD/WTD/Manager | | Total Amount |
|-------|---|---|---|--------------|
| | | S.Balakrishna Managing Director | R.Padmanaban Joint Managing Director | |
| 1 | Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax. 1961. * (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | 25.87 | 17.88 | 43.75 |
| 2 | Stock option | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil |
| 4 | Commission as % of profit | Nil | Nil | Nil |
| 5 | Others, please specify | Nil | Nil | Nil |
| | Total (A) | 25.87 | 17.88 | 43.75 |
| | Ceiling as per the Act | Ceiling not applicable, since only minimum remuneration is paid | | |

* Employer's contribution of EPF, not considered as salary

B. Remuneration to other directors:

(Rs. in Lakhs)

| Sl.No | Particulars of Remuneration | Name of the Directors | | | Total Amount |
|-------|--|---|-----------------|---------------|--------------|
| 1 | Independent Directors | Mr. J.M.Grover | Mr.R.Sambasivan | Ms.Sivarani J | Rs.in Lakhs |
| | (a) Fee for attending board committee meetings | 1.30 | 1.30 | Nil | 2.60 |
| | (b) Commission | Nil | Nil | Nil | Nil |
| | (c) Others, please specify | Nil | Nil | Nil | Nil |
| | Total (1) | 1.30 | 1.30 | Nil | 2.60 |
| 2 | Other Non Executive Directors | Nil | Nil | | |
| | (a) Fee for attending board committee meetings | Nil | Nil | 1.20 | 1.20 |
| | (b) Commission | Nil | Nil | Nil | Nil |
| | (c) Others, please specify. | Nil | Nil | Nil | Nil |
| | Total (2) | Nil | Nil | 1.20 | 1.20 |
| | Total (B)=(1+2) | 1.30 | 1.30 | 1.20 | 3.80 |
| | Total Managerial Remuneration (A+B) | | | | 47.55 |
| | Overall Ceiling as per the Act. | Ceiling not applicable, since only minimum remuneration is paid | | | |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

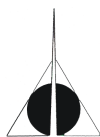
(Rs. in Lakhs)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--------------------------|-------------------|----------------|-------|
| | | CEO** | Company Secretary | CFO*** | Total |
| 1 | Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961. * (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | Not Applicable | 12.75 | Not Applicable | 12.75 |
| 2 | Stock Option | | Nil | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission as % of profit others, specify | | | | |
| 5 | Others, please specify | | | | |
| | Total | | 12.75 | | 12.75 |

* Employer's contribution of EPF, not considered as salary

NOTE: ** No separate remuneration was paid to Mr.S.Bakakrishna, as CEO other than his remuneration as Managing Director

*** No separate remuneration was paid to Mr.R.Padmanaban, as CFO other than his remuneration as Joint Managing Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

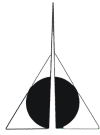
(Rs. in Lakhs)

| 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 | | | NIL | | |
| Compounding | Sec.135 | Matters relating to Corporate Social Responsibility | Rs.50,000/- | NCLT Chennai | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| 1) Geetha Sundararaghavan Company Secretary | Sec.135 | Matters relating to Corporate Social Responsibility | Rs.50,000/- | NCLT Chennai | |

By order of the Board
For SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED

Place: Chennai
Date : May 28, 2019

(BALAKRISHNA S)
Chairman & Managing Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure - 2

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

Form AOC – 2

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

1. Details of contracts or arrangements or transactions not at arm's length basis

| | |
|---|-----|
| (a) Name(s) of the related party and nature of relationship | Nil |
| (b) Nature of contracts / arrangements / transactions | Nil |
| (c) Duration of the contracts / arrangements/transactions | Nil |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any | Nil |
| (e) Justification for entering into such contracts or arrangements or transactions | Nil |
| (f) date(s) of approval by the Board | Nil |
| (g) Amount paid as advances, if any | Nil |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | Nil |

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship:

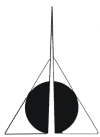
| Related Parties | Name of Director to whom related | Nature of relationship | Salary & Allowance Rs. in lakhs | * Date of approval by the Board | Total Rs. in lakhs |
|-------------------------------|----------------------------------|------------------------|------------------------------------|---------------------------------|--------------------|
| Mr.R.Thirumalai | R.Padmanaban | Brother | 14.80 | 30.07.2001/ 27.03.2018 | 14.80 |
| Mr.R.Rajagopal | R.Padmanaban | Brother | 6.28 | 29.05.2014/ 27.03.2018 | 6.28 |
| Mr.Srish Jayender Balakrishna | Balakrishna S | Son | 6.32 | 29.05.2014/ 27.03.2018 | 6.32 |

* Dates of appointment and latest revision

(b) Nature of contracts/arrangements/transactions: : Employment

(c) Duration of the contracts / arrangements / transactions : 2018-2019

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: : Normal employment terms of the company.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

(ii) a) Name(s) of the related party and nature of relationship: Sri R.Padmanaban, Joint Managing Director

| Related Parties | Name of Director to whom related | Nature of relationship | Borrowing from Director Rs.in lakhs | * Date of approval by the Board | Balance as on 31.03.2019 Rs.in Lakhs |
|------------------|----------------------------------|------------------------|--|--|--------------------------------------|
| Sri R.Padmanaban | R.Padmanaban | Director | 319.20 (maximum amount) 234.20 (Balance as on 31.03.2019) | 13/02/2018/ 27.03.2018/ 13.02.2019 | 234.20 |

(b) Nature of contracts/arrangements/transactions: : Borrowing from Director

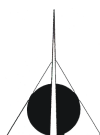
(c) Duration of the contracts / arrangements / transactions : Short Term Borrowing

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: : a) Rate of Interest 11.00%
b) Interest Payable for the year Rs.27.43 Lakhs.

By order of the Board
For SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED

Place: Chennai
Date : May 28, 2019

(BALAKRISHNA S)
Chairman & Managing Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure - 3

DETAILS TO BE DISCLOSED UNDER RULE 8(3) OF COMPANIES (ACCOUNTS) RULES 2014.

Details on Conservation of energy, Technology absorption and Foreign exchange earnings and Outgo

| Details | Disclosure | | | | |
|--|---|---|------------------------------|---|--------------|
| (A) Conservation of energy- (i) the steps taken or impact on conservation of energy; | The company conducts periodical energy audit and implements the advice given by the energy audit team. In all machines and areas wherever required energy savings equipments / spares/ component are used to conserve energy | | | | |
| (ii) the steps taken by the company for utilising alternate sources of energy; | The company as alternate source has installed 1 No. Wind Turbine Generator. | | | | |
| (iii) the capital investment on energy conservation equipments; | During the year – Nil. | | | | |
| (B) Technology absorption- | Nil | | | | |
| (C) Foreign exchange earnings and Outgo | 2018-19 | | | | |
| The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows. | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><u>Earnings/ Inflow</u> Through Export</td> <td style="text-align: right;">Rs.in lakhs <u>925.86</u></td> </tr> <tr> <td style="text-align: center;"><u>Expenses / Outgo</u> Selling Expenses</td> <td style="text-align: right;"><u>16.64</u></td> </tr> </table> | <u>Earnings/ Inflow</u> Through Export | Rs.in lakhs <u>925.86</u> | <u>Expenses / Outgo</u> Selling Expenses | <u>16.64</u> |
| <u>Earnings/ Inflow</u> Through Export | Rs.in lakhs <u>925.86</u> | | | | |
| <u>Expenses / Outgo</u> Selling Expenses | <u>16.64</u> | | | | |

By order of the Board
For SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED
(BALAKRISHNA S)
Chairman & Managing Director

Place : Chennai
Date : May 28, 2019

Annexure – 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The objective of the CSR Policy is to

- Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- 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.
- To generate, through its CSR initiatives, a community goodwill for SLST and help reinforce a positive & socially responsible image of SLST as a corporate entity.

Weblink to the CSR Policy:

<http://www.slstindia.com>



Sri Lakshmi Saraswathi Textiles (Arni) Limited

2. The Composition of the CSR Committee.

- Sri Balakrishna. S, Chairman of the Committee
- Sri R.Padmanaban, Member
- Sri. J.M. Grover, Member

3. Average net profit of the company for last three financial years Loss Rs.523.61 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above). Nil.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Nil

(b) Amount unspent, if any: Not Applicable

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

| (1) S.No | (2) CSR Project or activity identified | (3) Sector in which the Project is covered | (4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | (5) Amount outlay (budget) project or programs wise | (6) Amount spent on the projects or programs sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads | (7) Cumulative expenditure upto to the reporting period | (8) Amount Spent Direct or through implementing agency |
|-------------|---|---|--|--|--|--|---|
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| Total | | | | | | | |

*Give details of implementing agency:

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

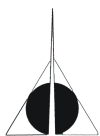
--- NOT APPLICABLE ---

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

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

Place : Chennai
Date : May 28, 2019

Balakrishna S,
(Managing Director &
Chief Executive Officer,
Chairman,
CSR Committee)



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure – 5

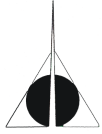
DETAILS TO BE DISCLOSED AS PER PROVISION OF RULE 8(5) OF COMPANIES (ACCOUNTS), RULES 2014.

| | |
|---|---|
| <p>(i) The financial summary or highlights;</p> | <p>The same has already been discussed in the earlier portion of this report.</p> |
| <p>(ii) The change in the nature of business, if any;</p> | <p>There is no change</p> |
| <p>(iii) The details of directors or key managerial personnel who were appointed or have resigned during the year;</p> | <p>There is no appointment or resignation of any Directors or any Key Managerial Personnel during the year.</p> |
| <p>(iv) The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;</p> | <p>Nil</p> |
| <p>(v) The details relating to deposits, covered under Chapter V of the Act,-</p> | <p>The company does not accept deposit from public.</p> |
| <p>(vi) The details of deposits which are not in compliance with the requirements of Chapter V of the Act;\</p> | <p>No such deposit</p> |
| <p>(vii) the details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;</p> | <p>No such transaction</p> |
| <p>(viii) the details in respect of adequacy of internal financial controls with reference to the Financial Statements.</p> | <p>Adequate internal financial controls are in vogue.</p> |
| <p>(ix) a disclosure, as to whether maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained,</p> | <p>Yes. Complied with</p> |
| <p>(x) a statement that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013] ,”;</p> | <p>Yes. Complied with</p> |

By order of the Board
For SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED

(BALAKRISHNA S)
Chairman & Managing Director

Place: Chennai
Date : May 28, 2019



Sri Lakshmi Saraswathi Textiles (Arni) Limited

ANNEXURE – 6

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
16, Krishnama Road, Nungambakkam,
Chennai – 600 034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED, (hereinafter called as “the company”). The secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019 according to the provisions of:

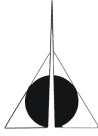
- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited (BSE).

We report that, the provisions of the following regulations are not applicable to the Company during the audit period:-

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



Sri Lakshmi Saraswathi Textiles (Arni) Limited

We further report that, the Company has no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.

We further report that, having regard to the compliance system prevailing in the Company and based on the written representations received from the officials / executives of the Company, we state that there are adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance of the following laws applicable specifically to the Company;

- (a) The Factories Act, 1948.
- (b) The Water (Prevention and Control of Pollution) Act, 1974.
- (c) The Air (Prevention and Control of Pollution) Act, 1981.

We further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under our audit as the same falls under the review of statutory audit and by other designated professionals.

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

- (a) *the company had obtained order from the National Company Law Tribunal, Chennai Bench, for an application filed vide SRN: G55959035 dt:12.10.2017 for compounding of offence under section 134 (3) (c) read with Section 135 of Companies Act, 2013.*

We further report that

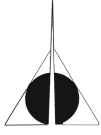
- (a) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (b) adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) all the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- (d) there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For A.K.JAIN & ASSOCIATES
Company Secretaries

Place: Chennai
Date: 07.05.2019

BALU SRIDHAR
Partner
M.No. F5869
C.P. No. 3550

This report is to be read with our letter of even dated which is annexed as Annexure A and form an integral part of this report.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure A

To,
The Members,
SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
16, Krishnama Road, Nungambakkam,
Chennai - 600034

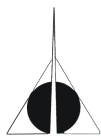
Our report of even date is to be read along with this letter.

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

For A.K.JAIN & ASSOCIATES
Company Secretaries

BALU SRIDHAR
Partner
M.No. F5869
C.P. No. 3550

Place: Chennai
Date : 07.05.2019



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure – 7

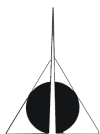
DETAILS DISCLOSED AS PER PROVISION OF RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| S. No. | Disclosure Requirements | Disclosure | | | |
|----------|---|--|---|---|--|
| i. & ii. | The ratio of the remuneration of each Director to the median remuneration of the Company for 2018-19, the percentage increase in remuneration of each Director, Chief Finance Officer, Chief Executive Officer and Company Secretary in 2018-19. | Name of Director / KMP and Designation | Remuneration of Director/ KMP for 2018-19 (Rs.in Lakhs) | % increase in the remuneration in 2018-19 | Ratio of remuneration of each Director to median Remuneration of employee. |
| | | Balakrishna S, Managing Director and Chief Executive Officer | 27.48 | 8% | 34 |
| | | R.Padmanaban Joint Managing Director and Chief Financial Officer | 18.96 | 12% | 30 |
| | | Geetha Sundararaghavan Company Secretary | 13.65 | 19% | Not Applicable |
| iii. | The percentage increase in the median remuneration of employees in the financial year; | There was a reduction of 6.69% in the median remuneration. | | | |
| iv | The number of permanent employees on the rolls of company; | 990 | | | |
| v | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | There was a reduction of 3% in the average remuneration of employees other than the managerial personnel and the increase in remuneration of managerial personnel was 10%. The reduction in average remuneration of employees was due to reduction in variable component of remuneration, whereas the increase in remuneration of managerial personal was constant at 10%. | | | |
| vi | Affirmation that the remuneration is as per the remuneration policy of the company. | It is affirmed that the remuneration of all employees including directors is as per the remuneration policy of the company. | | | |

By order of the Board
For SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED

(BALAKRISHNA S)
Chairman & Managing Director

Place : Chennai
Date : May 28, 2019



Sri Lakshmi Saraswathi Textiles (Arni) Limited

ANNEXURE - 8

DETAILS DISCLOSED AS PER PROVISION OF RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014.

Particulars of Top Ten Employees in terms of remuneration drawn.

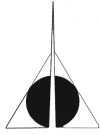
| S. No. | Name | Age (Yrs) | Designation | Remuneration Paid/ Payable Rs.in Lakhs | Qualification and Experience | Date of Commencement of Employment | Last Employment |
|--------|----------------------------|-----------|-----------------------------|--|------------------------------|------------------------------------|-------------------------------------|
| 1. | Balakrishna. S | 59 | Managing Director | 27.48 | B.Com, MBA | 23.10.1985 | — |
| 2. | R.Padmanaban | 48 | Joint Managing Director | 18.96 | B.E. | 29.10.1998 | — |
| 3. | R.Thirumalai | 42 | Manager Production | 14.80 | B.Sc. | 01.08.2001 | — |
| 4. | Geetha Sundararaghavan | 56 | Company Secretary | 13.65 | B.Com, ACS | 29.03.1993 | In Practice |
| 5. | Palani. E | 55 | Asst. General Manager | 6.36 | B.Sc. MCA | 11.06.1986 | — |
| 6. | Srish Jayender Balakrishna | 30 | General Manager – Marketing | 6.32 | B.S, MS | 01.06.2014 | — |
| 7. | Sri Rajagopal R. | 47 | Manager – Administration | 6.28 | B.Com, PGDHM | 01.06.2014 | — |
| 8. | Aravindan. V | 54 | Manager (HR) | 6.08 | D.T.T. | 30.09.2013 | Gowri Spinning Mills P.Ltd., |
| 9. | Veeraraghavan. G | 58 | Senior Export Manager | 5.94 | B.A. | 27.12.1985 | — |
| 10. | Suresh. D | 53 | Accounts Manager | 5.92 | B.Com | 01.12.1993 | Kausalya Pharmaceuticals Pvt. Ltd., |

- Note:
1. All appointments are contractual.
 2. Remuneration includes Salary, Company's contribution to Provident Fund, but does not include Provision for Gratuity.
 3. None of the employees mentioned above is related to any Director of the Company except the following:
 - i) Sri.R.Thirumalai, Manager Production is related to Sri R.Padmanaban, Joint Managing Director.
 - ii) Sri Srish Jayender, General Manager – Marketing is related to Sri Balakrishna S, Managing Director and
 - iii) Sri.R.Rajagopal, Manager - Administration is related to Sri R.Padmanaban, Joint Managing Director.

By order of the Board
For SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED

Place : Chennai
Date : May 28, 2019

(BALAKRISHNA S)
Chairman & Managing Director



REPORT ON MANAGEMENT'S DISCUSSION AND ANALYSIS

i. Industry structure and developments

Our company is engaged in the manufacture of all types of yarn used for manufacture of woven and knitted fabrics and is sold both in the domestic and international markets. Demand for yarn in the domestic market depends upon demand for fabrics for domestic consumption and for fabrics for export as such or for manufacture of garments and other textile products exports. Thus domestic demand of yarn depends on the level of domestic consumption through direct use and capability to sell fabrics and garments and other textile products in the international market. Direct export of yarn is for the manufacture of fabrics in the foreign countries. In India, especially in Tamil Nadu, excess spinning capacity has been established without corresponding capacity build-up for fabrics production, processing capacity and garment manufacture. No effective system has been put in place to scrap obsolete spindle capacity and to ensure a coordinated capacity additions in all segments of textile industry. Non-availability of adequate number of employees has resulted in reduction in production of yarn. Maintaining good quality, increasing the volume, optimizing the product mix and capacity utilization, ensuring availability of adequate power at reasonable cost, cost reduction and taking up down stream value are the ways to progress. Current developments and effect of the same in the performance were discussed in the Directors' Report.

ii. Opportunities and threats

Non availability of adequate skilled manpower, high cost of all inputs and lack of financial support from Banks, resulted in reduction in capacity utilization of marginal spinning mills and thereby reduction in supply of yarn. This has provided an opportunity to the established players to strengthen their position. Changes in the international market for raw cotton, policies preferences of Government affecting Textiles, high cost of power, non availability of adequate skilled man power and lack of financial support from banking system are the threats faced by the industry.

iii. Segment wise or product wise performance

Since the company is engaged in the production of Textile products only, there is no segment wise or product wise reporting of performance.

iv. Outlook

As discussed in the Directors' Report the performance during 2019-20 will be at a reasonable level.

v. Risks and concerns

Inconsistency in the price and the demand for yarn and highly volatile cotton market are the two risks associated with spinning mills. Your company plans to face these risks, through suitable sales efforts, optimum product mix, prudent purchase of cotton, improving raw material realization, ensuring availability of adequate power by purchase from private power producers at reasonable cost, implementing cost reduction measures and improving productivity.

vi. Internal control systems and their adequacy

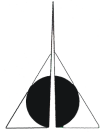
The company is having an efficient and adequate internal control system commensurate with size and level of operations of the company.

vii. Discussion on financial performance with respect to operational performance.

This has been discussed in details in the Directors' Report.

viii. Material developments in Human Resources/ Industrial Relations front, including number of people employed.

The company's performance in the industrial relations front continues to be very cordial. Currently the company has 990 employees of all ranks on its rolls.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure – 10

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT.

All the members of the Board of Directors and Senior Management have affirmed compliance with the code of conduct, laid down by the Board.

for **SRILAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED**

Place: Chennai
Date: May 28, 2019

**(BALAKRISHNA S)
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER**

Annexure – 11

Declaration in respect of Audit Report with Unmodified Opinion for the Annual Audited Financial Results for the year ended on 31st March 2019.

We hereby declare that the Statutory Auditors of the company, M/s. M/s.B.Purushottam & Co., Chartered Accountants, have issued the Audit Report for the year ended on March 31, 2019 with unmodified opinion.

for **SRILAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED**

Place: Chennai
Date: May 28, 2019

**(BALAKRISHNA S)
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER**



Sri Lakshmi Saraswathi Textiles (Arni) Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

Report on the Standalone Ind AS financial statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Sri Lakshmi Saraswathi Textiles (Arni) Limited** ('the Company'), which comprise the balance sheet as at 31st March, 2019, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter:

- **We emphasise on the matter that the attached financial statements as on 31st March 2019, indicates that the accumulated losses amounting to Rs.2294.21 Lakhs has eroded the net worth of the company. This financial results has been prepared on a going concern basis based on the opinion of the management that the company would generate sufficient profits in the foreseeable future.**

Our opinion is unmodified in respect of this matter.

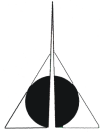
Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to be communicated in our report.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS 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 (Ind AS) prescribed under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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



Sri Lakshmi Saraswathi Textiles (Arni) Limited

accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

In conducting our audit, we have considered 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 Standalone Ind AS 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 Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

- 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”.
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigations on its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

for M/s.B.Purushottam & Co
CHARTERED ACCOUNTANTS
Reg. No. 002808S

(B.S. PURSHOTHAM)

Partner

M.No.26785

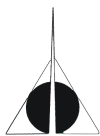
Place: Chennai

Date: May 28, 2019

“Annexure A” to the Independent Auditors’ Report of even date on the Financial Statements of SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

Referred to in Paragraph 2 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date:

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
- (ii) According to the information and explanations given to us, the Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has not granted loans to a body corporate covered in the register maintained under Sec 189 of the Companies Act 2013 and hence clause (iii) (a) to (c) are not applicable to the company.
- (iv) The company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013, in respect of loans, investments, provided by the company. The company has not provided any guarantee or security to any company covered under Section 185.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder are applicable.
- (vi) According to information and explanations given to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company and such accounts have been made and maintained by the company.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

(vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Excise Duty, Duties of Customs, Value added tax, Cess 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 above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

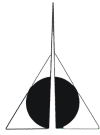
(b) According to the information and explanation given to us, the following dues of Employee's State Insurance have not been deposited by the company on account of dispute are given below:

| Name of the Statute | Nature of dues | Amount involved (Rs. In Lakhs) | Amount unpaid (Rs. In Lakhs) | Forum where dispute is pending | Period to which it relates |
|-------------------------------------|--|--------------------------------|------------------------------|--------------------------------|----------------------------|
| Employee's State Insurance Act 1948 | Contribution to Employee's State Insurance Corporation | 4.16 | 1.12 | High Court | 2000-01 |

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, clause (ix) of the Order is not applicable to the Company.
- (x) In our opinion and according to the information and explanations given to us, the company has not noticed any fraud by the company or any fraud on the company by its Officers or employees or reported during the year.
- (xi) According to the information and explanations given to us, managerial remuneration paid is in accordance with provisions of Section 197, read with schedule V of the Companies Act.
- (xii) The Company is not a Nidhi Company. Therefore, Clause (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, Clause (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (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.

for M/s.B.Purushottam & Co
CHARTERED ACCOUNTANTS
Reg. No. 002808S
(B.S. PURSHOTHAM)
Partner
M.No.26785

Place: Chennai
Date: May 28, 2019



Sri Lakshmi Saraswathi Textiles (Arni) Limited

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of SRI LAKSHMI SARASWATHI TEXTILES (ARNI) 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 Lakshmi Saraswathi Textiles (Arni) Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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”) issued by the Institute of Chartered Accountants of India 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.

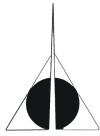
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal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



Sri Lakshmi Saraswathi Textiles (Arni) Limited

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

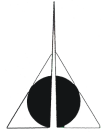
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at March 31, 2019, based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

for M/s.B.Purushottam & Co
CHARTERED ACCOUNTANTS
Reg. No. 002808S
(B.S. PURSHOTHAM)
Partner
M.No.26785

Place: Chennai
Date: May 28, 2019



Sri Lakshmi Saraswathi Textiles (Arni) Limited

BALANCE SHEET AS AT 31 ST MARCH 2019

Amount Rs. in lakhs

| ASSETS | Notes | As at 31st Mar 2019 | As at 31st Mar 2018 |
|--|-------|------------------------|------------------------|
| 1. Non-Current Assets : | | | |
| (a) Property, Plant and Equipment | 6 | 1085.64 | 1163.17 |
| (b) Other Intangible assets | 6 | 0.74 | 0.74 |
| (c) Financial Assets : | | | |
| i. Investments | 7 | 41.83 | 35.94 |
| (d) Other Non- Current Assets | 8 | 127.35 | 132.15 |
| Total Non -Current Assets | | 1255.56 | 1332.00 |
| 2. Current Assets : | | | |
| (a) Inventories | 9 | 835.69 | 951.14 |
| (b) Financial Assets : | | | |
| i. Trade Receivables | 10 | 307.86 | 404.88 |
| ii. Cash and Cash Equivalents | 11 | 45.96 | 19.55 |
| iii. Bank balance other than (ii) above | 12 | 46.23 | 44.87 |
| iv. Security Deposits | 13 | 246.10 | 229.84 |
| (c) Current Tax Assets (Net) | 14 | 7.81 | 5.62 |
| (d) Other Current Assets | 15 | 177.88 | 193.14 |
| Total Current Assets | | 1667.53 | 1849.04 |
| TOTAL ASSETS | | 2923.09 | 3181.04 |
| EQUITY AND LIABILITIES | | | |
| 1. EQUITY | | | |
| (a) Equity Share Capital | 16 | 333.28 | 333.28 |
| (b) Other Equity | 17 | -290.17 | 421.80 |
| Total Equity | | 43.11 | 755.08 |
| 2. LIABILITIES: | | | |
| A Non Current Liabilities : | | | |
| (a) Financial Liabilities | | | |
| i. Borrowings | 18 | 19.85 | 27.91 |
| (b) Deferred tax liabilities (Net) | 19 | 0.00 | 0.00 |
| Total Non Current Liabilities | | 19.85 | 27.91 |
| B Current Liabilities : | | | |
| (a) Financial Liabilities | | | |
| i. Borrowings Secured | 20 | 0.00 | 0.00 |
| ii. Borrowings Un Secured | 21 | 235.20 | 320.20 |
| iii. Trade Payables | 22 | | |
| - Dues to micro and small enterprises | | 8.78 | — |
| - Dues to other than micro and small enterprises | | 1671.49 | 1255.97 |
| iv. Other financial liabilities | 23 | 333.03 | 285.89 |
| (b) Provisions | 24 | 611.63 | 535.99 |
| (c) Current Tax Liabilities (Net) | 25 | 0.00 | 0.00 |
| Total Current Liabilities | | 2860.13 | 2398.05 |
| TOTAL EQUITY AND LIABILITIES | | 2923.09 | 3181.04 |

Significant Accounting Policies

Note No.5

NOTES 6 TO 25 AND ADDITIONAL INFORMATION IN NOTE 37 FORM PART OF THIS BALANCE SHEET

BALAKRISHNA S
Managing Director &
Chief Executive Officer

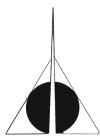
GEETHA SUNDARARAGHAVAN
Company Secretary

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer

As per our report annexed
For **M/s.B.Purushottam & Co**
Chartered Accountants
Regn No:002808S

(B.S. PURSHOTAM)
Partner
M.No.26785

Place: Chennai
Date : May 28, 2019



Sri Lakshmi Saraswathi Textiles (Arni) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

| | | Amount Rs. in lakhs | | |
|------|--|---------------------|-----------------|-----------------|
| | Particulars | Note No. | 31st Mar 2019 | 31st Mar 2018 |
| | INCOME: | | | |
| I | Revenue from Operations | 26 | 12094.41 | 10551.61 |
| II | Other Income | 27 | 22.03 | 79.93 |
| III | Total Income (I + II) | | 12116.44 | 10631.54 |
| IV | EXPENSES: | | | |
| | Cost of materials consumed | 28 | 7396.38 | 6374.40 |
| | Purchase of Stock-in-Trade | 29 | 126.73 | 181.78 |
| | Changes in inventories of work-in-process | 30 | -32.75 | -47.96 |
| | Changes in inventories of finished goods | 31 | 180.54 | 77.44 |
| | GST and Excise Duty | 32 | 929.77 | 697.51 |
| | Employee benefits expense | 33 | 1445.96 | 1382.92 |
| | Finance costs | 34 | 165.19 | 95.29 |
| | Depreciation | 6 | 145.43 | 148.52 |
| | Other expenses | 35 | 2490.53 | 2258.65 |
| | Total Expenses (IV) | | 12847.78 | 11168.55 |
| V | Profit / (Loss) before exceptional items and tax (III - IV) | | -731.34 | -537.01 |
| VI | Exceptional Items (+) / (-) 36 | | 24.24 | 180.84 |
| VII | Profit / (Loss) before tax (V-VI) | | -707.10 | -356.17 |
| VIII | Tax expense | | | |
| | a. Current Tax | | 0.00 | 0.00 |
| | b. Deferred Tax | | 0.00 | 0.00 |
| | c. Prior Years' Tax Charge | | 4.81 | 0.00 |
| | | | 4.81 | 0.00 |
| IX | Profit / (Loss) for the year from Continuing Operations(VII-VIII) | | -711.91 | -356.17 |
| X | Profit / (Loss) from discontinued Operations | | 0.00 | 0.00 |
| XI | Tax Expense of Discontinued Operations | | 0.00 | 0.00 |
| XII | Profit / (Loss) from discontinued Operations after tax (X-XI) | | 0.00 | 0.00 |
| XIII | Profit / (Loss) for the period (IX+XII) | | -711.91 | -356.17 |
| XIV | Other Comprehensive income | | | |
| | (i) Re-measurement of defined benefit plans | | 0.00 | 0.00 |
| | (ii) Equity instrument through other comprehensive income | | -0.06 | -0.17 |
| | (iii) Income tax (expenses)/savings | | 0.00 | 0.00 |
| XV | Total other comprehensive income | | -0.06 | -0.17 |
| XVI | Total comprehensive income for the period (XIII+XV) | | -711.97 | -356.34 |
| | Earning per equity share (for continuing operation) | | | |
| | (i) Basic | Rs. | -21.36 | -10.69 |
| | (ii) Diluted | Rs. | -21.36 | -10.69 |
| | Earning per equity share (for discontinued operation) | | | |
| | (i) Basic | Rs. | 0.00 | 0.00 |
| | (ii) Diluted | Rs. | 0.00 | 0.00 |
| | Earning per equity share (for discontinued and continuing operation) | | | |
| | (i) Basic | Rs. | -21.36 | -10.69 |
| | (ii) Diluted | Rs. | -21.36 | -10.69 |

Significant Accounting Policies

Note No.5

NOTES 26 TO 36 AND ADDITIONAL INFORMATION IN NOTE 37 FORM PART OF THIS STATEMENT OF PROFIT & LOSS

BALAKRISHNA S
Managing Director &
Chief Executive Officer

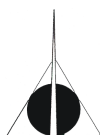
GEETHA SUNDARARAGHAVAN
Company Secretary

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer

As per our report annexed
For **M/s.B.Purushottam & Co**
Chartered Accountants
Regn No:002808S

(B.S. PURSHOTHAM)
Partner
M.No.26785

Place: Chennai
Date : May 28, 2019



Sri Lakshmi Saraswathi Textiles (Arni) Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2019

| | Amount Rs. in lakhs | |
|--|---------------------|----------------|
| | 2018-19 | 2017-18 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax | (707.10) | (356.17) |
| Adjustments for : | | |
| Add :- Depreciation | 145.43 | 148.52 |
| Finance Expenses | 165.19 | 95.29 |
| | (396.48) | (112.36) |
| (Less) / Add :- (Profit) / Loss on sale of assets | - | (58.09) |
| Interest received | (18.58) | (16.57) |
| Operating Profit before Working Capital Changes | (415.06) | (187.02) |
| Adjustments for :- | | |
| (Increase)/ Decrease in Inventories | 115.45 | (45.31) |
| (Increase)/ Decrease in Receivables | 97.02 | (246.70) |
| (Increase)/ Decrease in other financial assets | (16.26) | (7.32) |
| (Increase)/ Decrease in other current assets | 15.26 | 162.27 |
| Increase/(Decrease) in Trade payable | 424.30 | 346.98 |
| Increase/(Decrease) in other financial liabilities | 122.78 | (21.02) |
| Cash Generated from Operations | 343.49 | 1.88 |
| Direct taxes paid | (2.19) | (1.62) |
| NET CASH FROM OPERATING ACTIVITIES (a) | 341.30 | 0.26 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed assets and other Capital expenses | (67.90) | (61.53) |
| Sale of Fixed assets | - | 85.51 |
| Sale/Purchase of shares | (5.96) | 30.89 |
| Increase/(Decrease) Bank deposit | (1.36) | (1.36) |
| Re-measurement of defined benefit plans | - | - |
| Interest received | 18.58 | 16.57 |
| NET CASH FROM INVESTING ACTIVITIES (b) | (56.64) | 70.08 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| (Decrease)/ Increase in Working Capital Bank Finance | - | (268.14) |
| Proceeds Unsecured Loans and other Loans | (85.00) | 295.37 |
| Repayment of vehicle loan | (8.06) | - |
| Payment of Dividend and tax thereon | - | - |
| Finance Expenses | (165.19) | (95.29) |
| NET CASH FROM FINANCING ACTIVITIES (c) | (258.25) | (68.06) |
| Net Change in Cash and Cash Equivalent (a+b+c) | 26.41 | 2.28 |
| Cash and Cash Equivalent as at 1st April - 2018 (2017) | 19.55 | 17.27 |
| Cash and Cash Equivalent as at 31st March - 2019 (2018) | 45.96 | 19.55 |

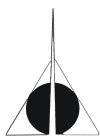
BALAKRISHNA S
Managing Director &
Chief Executive Officer

GEETHA SUNDARARAGHAVAN
Company Secretary

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer
As per our report annexed
For **M/s.B.Purushottam & Co**
Chartered Accountants
Regn No:002808S

Place: Chennai
Date : May 28, 2019

(B.S. PURSHOTHAM)
Partner
M.No.26785



Sri Lakshmi Saraswathi Textiles (Arni) Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

A. EQUITY SHARE CAPITAL

Rs. in Lakhs

| | |
|---------------------------------|--------|
| As at 1st April 2017 | 333.28 |
| Changes in equity share capital | 0 |
| As at 31st March 2018 | 333.28 |
| Changes in equity share capital | 0 |
| As at 31st March 2019 | 333.28 |

B. OTHER EQUITY

Amount Rs. in lakhs

| PARTICULARS | Reserves and Surplus | | | Items of OCI | Total other equity |
|--|----------------------------|-----------------|-------------------|-----------------------------|--------------------|
| | Securities premium reserve | General reserve | Retained earnings | FVTOCI - equity investments | |
| Balance at 1 April 2017 | 443.42 | 1560.57 | -1226.13 | 0.29 | 778.15 |
| Add: Profit for the financial year 2017-18 | 0.00 | 0.00 | -356.17 | 0.00 | -356.17 |
| Add: Other comprehensive income | 0.00 | 0.00 | 0.00 | -0.18 | -0.18 |
| Total Comprehensive income | 443.42 | 1560.57 | -1582.30 | 0.11 | 421.80 |
| Less: Transfer to retained earnings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Add: Transfer from OCI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Less: Transfer to General reserve | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Add: Transfer from Retained earnings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Balance at 31st March 2018 | 443.42 | 1560.57 | -1582.30 | 0.11 | 421.80 |
| Add: Profit for the financial year 2018-19 | 0.00 | 0.00 | -711.91 | 0.00 | -711.91 |
| Add: Other comprehensive income | 0.00 | 0.00 | 0.00 | -0.06 | -0.06 |
| Total Comprehensive income | 443.42 | 1560.57 | -2294.21 | 0.05 | -290.17 |
| Less: Transfer to retained earnings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Add: Transfer from OCI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Less: Transfer to General reserve | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Add: Transfer from Retained earnings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Balance at 31st March 2019 | 443.42 | 1560.57 | -2294.21 | 0.05 | -290.17 |

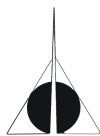
BALAKRISHNA S
Managing Director &
Chief Executive Officer

GEETHA SUNDARARAGHAVAN
Company Secretary

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer
As per our report annexed
For **M/s.B.Purushottam & Co**
Chartered Accountants
Regn No:002808S

Place: Chennai
Date : May 28, 2019

(B.S. PURSHOTHAM)
Partner
M.No.26785



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Notes forming part of Financial Statements

Note 1. Company Overview

Sri Lakshmi Saraswathi Textiles (Arni) Limited is a Public Limited Company incorporated and domiciled in India and has its registered office at No. 16, Krishnama road, Nungambakkam, Chennai-600 034. The company's shares are listed in BSE Limited. The company is principally engaged in manufacture of Yarn. The company is also engaged in generation of electricity from its windmills for its captive consumption. The financial statements of the company for the year ended 31.03.2019 were approved and adopted by Board of Directors of the Company in its meeting held on 28.05.2019.

Note 2. Basis of preparation and presentation of 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.5

Note 3. Operating Circle, rounding off and regrouping.

- (i) The Company has considered its operating cycle to be 12 months for the purpose of classification of Current Assets and Non Current Assets and Current Liabilities and Non Current Liabilities.
- (ii) The financial statement are presented in Indian Rupees rounded to the nearest lakhs with two decimals.
- (iii) Previous year figures have been regrouped / restated, wherever necessary and appropriate.

Note 4. Basis of Measurement

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 5.17- Accounting Policy for Financial Instruments) which are measured at fair value.

Note 5. Significant Accounting Policies

5.1 Property, Plant and Equipment (PPE)

- i) Property, Plant and Equipment are stated at cost of acquisition net of accumulated depreciation/ amortization and impairment losses if any, except free hold land which is carried at cost less impairment losses if any. The cost comprises purchase prices, borrowing cost if capitalization 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 capitalized and the carrying amount of replaced parts are de-recognized. When each major inception/ overhauling is performed, its cost is recognized 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- recognized.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

- iii) Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalization criteria in accordance with IND AS 16 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- iv) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use or disposal. Gains or losses arising from disposal of plant, property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognized in the statement of profit and loss.
- v) Depreciation for plant and machinery has been provided on Straight line method and for all other assets Written down value method has been followed.
- vi) 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.
- vii) Upon first- time adoption of IND AS, the company has elected to measure all its property, plant, equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to IND AS i.e., 1st April, 2016.

5.2 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 reporting date.

5.3 Current or Non-Current classification

An asset or liability is classified as current if it satisfies any of the following conditions:

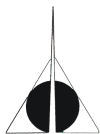
- i) Asset or liability is expected to be realized in the company's normal settlement cycle.
- ii) Asset is intended for sale or consumption.
- iii) Asset or liability is held primarily for the purpose of trading.
- iv) Asset or liability is expected to be realized or settled within twelve months after reporting period.

5.4 Intangible assets

- i) The cost of computer software that are installed are accounted at cost of acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Internally generated software is not capitalized and the expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.
- ii) The residual values, useful lives and methods of depreciation of intangible assets are reviewed at each reporting date and adjusted prospectively, if appropriate.

5.5 Inventories

- i) Inventories are valued at cost or net realizable value whichever is lower. Cost includes the cost incurred in bringing the inventories to their present location and condition.
- ii) Raw materials, stores and spares are valued at cost or net realizable value whichever is lower. Cost includes the cost incurred in bringing the inventories to their present location and condition. For cost calculation of Raw materials as it is not ordinarily inter changeable specific identification method is used. For cost calculation of stores and spares weighted average method is used.
- iii) For valuation of finished goods / stock-in-process, cost includes material, direct labour, overheads (other than abnormal amount of wasted materials, storage costs, selling and administrative overheads) wherever applicable.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

5.6 Revenue Recognition

- i) Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- ii) Sale of products is recognized when the significant risk and reward of ownership of the goods have been passed to the buyer. Revenue is measured at fair value of the consideration received or receivable, after deduction of any taxes or duties collected on behalf of the government which are levied on sales such as VAT, GST, etc.
- iii) Dividend income, if any, is recognized when the company's right to receive dividend is established by the reporting date.
- iv) Interest income from financial assets is recognized at the effective interest rate applicable on initial recognition.
- v) Scrap sales is recognized at the fair value of consideration received or receivable upon transfer of significant risk and rewards. It comprises of invoice value of goods and after deducting applicable taxes on sale.
- vi) The power generated at Wind Mill is fully consumed at mills and the maintenance expenses of the wind mills and cost of wheeling of power is charged to Statement of profit and loss.

5.7 Employee Benefits

- i) Short-term employee benefits viz., salaries and wages are recognized as 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., contribution to Provident Fund is recognized as an expense in the statement of profit and loss for the year in which the employees have rendered services. The company contributes to provident fund administered by the Government on a monthly basis at 12% of employee's basic salary. There are no other obligation other than the above defined contribution plan.
- iii) Defined Benefit Plan.

Gratuity:

- a. Company's liability towards gratuity in respect of employees who beneficially own shares in the company carrying more than 5% of the total voting power has been provided for on the basis of actuarial valuation(performed by an independent actuary, at each Balance sheet date) and not funded.
- b. Company's liability towards gratuity in respect of all other employees is worked out on the basis of actuarial valuation (performed by an independent actuary, at each Balance sheet date) and is normally funded.

Leave Encashment:

As per policy of the company unavailed leave, casual leave/ earned leave cannot be carried forward or encashed and hence there is no additional cost. The company recognize the cost as expense as and when the employee avails paid leave.

5.8 Provision, Contingent Liability and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as result of past events and it is probable that there will be outflow of resources. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Contingent liabilities not provided for, are disclosed in the accounts by way of Notes.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

5.9 Cash Flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

5.10 Borrowing Cost

- i) Borrowing cost include interest computed using Effective Interest Rate method, amortization 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 capitalized 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 capitalization by applying capitalization rate to the expenditure incurred on such cost. The capitalization 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 capitalizes during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings cost are expensed in the period in which they occur.

5.11 Government Subsidy / Grant

- i) Government grants are recognized at fair value on accrual basis 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 recognized 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".
- iii) In case of grant relates to an asset, it is recognized as income over the expected useful life of the related asset.

5.12 Foreign Currency Transactions

Foreign Currency Transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary assets and liabilities at the reporting date exchange rates are recognized in the statement of Profit and Loss. Non- monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.

5.13 Earnings Per Share

Basic Earnings per share is calculated by dividing the Net profit or loss after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the Profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

5.14 Income Tax

The tax provision is considered as stipulated in IND AS 12 and includes current and deferred tax liability. The company recognizes the accumulated deferred tax liability based on accumulated time difference using current tax rate. The company as a conservative measure does not reckon deferred tax asset. Both the current tax and deferred tax liability relating to items recognized outside the profit or loss is recognized either in "other Comprehensive Income" or directly in "Equity" as the case may be.

The company has considered credit entitlement of Minimum Alternate Tax (MAT) where it is reasonably certain that the credit will be available for set-off in accordance with the provision of the Income Tax Act, 1961.

5.15 Segment Reporting

As the company has only one business segment i.e., Textile and only one geographical segment, the segment reporting requirement as per IND AS 108 is not applicable to the company.

5.16 Impairment of Non- financial Assets

- i) The carrying values of non-financial 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 / amortization 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.

5.17 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

5.18 Financial Asset

- i) Financial assets comprise of investments in Equity, 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) Amortized cost; or
 - b) Fair value through Other Comprehensive Income (FVTOCI); or
 - c) Fair value through Profit or Loss (FVTPL)
 - d) Amortized cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

iii) The Company classifies its financial assets for measurement as below:-

| Basis of Measurement | Financial Assets |
|----------------------|---|
| Amortized cost | Trade receivables, Loan and advances given to employees and related parties, deposits and other advances recoverable in cash or kind. |
| FVTOCI | Investment in Equity instruments |
| FVTPL | Forward exchange contracts. |

- iv) The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a 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 recognized in the Statement of Profit and Loss.
- v) The company assesses at each balance sheet date whether the financial asset or group of financial assets is impaired. IND AS 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

5.19 Financial Liability

- 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:

| Basis of Measurement | Financial Liability |
|----------------------|---|
| 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. |

- iii) 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.
- iv) Upon de-recognition 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 recognized in the Statement of Profit and Loss.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

5.20 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 / disclosed 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 are directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are 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 generally accepted valuation techniques.

b. 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.

c. Non-derivative financial liabilities

The fair value of non-derivative financial liabilities viz, 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.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

5.21 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 recognised 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 technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted 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) 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.

(iv) Impairment of Trade receivables

The impairment for financial assets 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.

(v) 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.

(vi) 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. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rate 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.

(vii) 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.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

NOTES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH 2019 Property, Plant, Equipment and Other Intangible Assets

For 2018-19
Amount Rs. In lakhs

NOTE : 06

| Particulars | Gross Block | | | Accumulated Depreciation | | | | NET BLOCK | | |
|---|------------------------------|--------------|-------------|-------------------------------|------------------------------|----------------------------------|--------------|-------------------------------|---------------------------|--------------------------|
| | Balance as at 1st April 2018 | Additions | Deletions | Balance as at 31st March 2019 | Balance as at 1st April 2018 | Depreciation charge for the year | On disposals | Balance as at 31st March 2019 | WDV as on 31st March 2019 | WDV as on 1st April 2018 |
| 1- Property, Plant and Equipment | | | | | | | | | | |
| Land | 22.87 | 0.00 | 0.00 | 22.87 | 0.00 | 0.00 | 0.00 | 0.00 | 22.87 | 22.87 |
| Buildings | 1131.13 | 0.00 | 0.00 | 1131.13 | 851.83 | 23.87 | 0.00 | 875.70 | 255.43 | 279.30 |
| Plant and Machinery | 6353.99 | 61.67 | 0.00 | 6415.66 | 5584.20 | 99.91 | 0.00 | 5684.11 | 731.55 | 769.77 |
| Electrical Installation | 323.91 | 0.69 | 0.00 | 324.60 | 299.37 | 3.39 | 0.00 | 302.76 | 21.84 | 24.54 |
| Furniture, Fixtures | 164.08 | 1.40 | 0.00 | 165.48 | 150.53 | 2.96 | 0.00 | 153.49 | 11.99 | 13.55 |
| Other Assets | 13.03 | 4.14 | 0.00 | 17.17 | 11.62 | 0.45 | 0.00 | 12.07 | 5.10 | 1.41 |
| Vehicles | 141.18 | 0.00 | 0.00 | 141.18 | 90.31 | 14.85 | 0.00 | 105.16 | 36.02 | 50.87 |
| Live Stock | 0.84 | 0.00 | 0.00 | 0.84 | 0.00 | 0.00 | 0.00 | 0.00 | 0.84 | 0.84 |
| TOTAL - CURRENT YEAR TANGIBLE ASSETS | 8151.03 | 67.90 | 0.00 | 8218.93 | 6987.86 | 145.43 | 0.00 | 7133.29 | 1085.64 | 1163.17 |
| 2 - Capital Work In Progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3- Intangible Assets Computer Software | 14.75 | 0.00 | 0.00 | 14.75 | 14.01 | 0.00 | 0.00 | 14.01 | 0.74 | 0.74 |
| TOTAL - CURRENT YEAR INTANGIBLE ASSETS | 14.75 | 0.00 | 0.00 | 14.75 | 14.01 | 0.00 | 0.00 | 14.01 | 0.74 | 0.74 |
| Grand Total (Current year) | 8165.78 | 67.90 | 0.00 | 8233.68 | 7001.87 | 145.43 | 0.00 | 7147.30 | 1086.38 | 1163.91 |



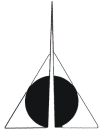
Sri Lakshmi Saraswathi Textiles (Arni) Limited

Property, Plant, Equipment and Other Intangible Assets

For 2017-18
Amount Rs. In lakhs

| Particulars | Gross Block | | | Accumulated Depreciation | | | NET BLOCK | | | |
|---|------------------------------|--------------|--------------|-------------------------------|------------------------------|----------------------------------|--------------|-------------------------------|--------------------------|---------------------------|
| | Balance as at 1st April 2017 | Additions | Deletions | Balance as at 31st March 2018 | Balance as at 1st April 2017 | Depreciation charge for the year | On disposals | Balance as at 31st March 2018 | WDV as on 1st April 2017 | WDV as on 31st March 2018 |
| 1- Property, Plant and Equipment | | | | | | | | | | |
| Land | 47.64 | 0.00 | 24.77 | 22.87 | 0.00 | 0.00 | 0.00 | 0.00 | 47.64 | 22.87 |
| Buildings | 1131.13 | 0.00 | 0.00 | 1131.13 | 825.56 | 26.27 | 0.00 | 851.83 | 305.57 | 279.30 |
| Plant and Machinery | 6351.25 | 2.73 | 0.00 | 6353.98 | 5479.37 | 104.84 | 0.00 | 5584.21 | 871.89 | 769.77 |
| Electrical Installation | 321.91 | 2.00 | 0.00 | 323.91 | 295.06 | 4.31 | 0.00 | 299.37 | 26.85 | 24.54 |
| Furniture, Fixtures | 159.36 | 4.72 | 0.00 | 164.08 | 147.37 | 3.16 | 0.00 | 150.53 | 11.99 | 13.55 |
| Other Assets | 12.06 | 0.97 | 0.00 | 13.03 | 11.09 | 0.53 | 0.00 | 11.62 | 0.97 | 1.41 |
| Vehicles | 143.08 | 51.11 | 53.00 | 141.19 | 131.26 | 9.41 | 50.35 | 90.32 | 11.82 | 50.87 |
| Live Stock | 0.84 | 0.00 | 0.00 | 0.84 | 0.00 | 0.00 | 0.00 | 0.00 | 0.84 | 0.84 |
| TOTAL - CURRENT YEAR TANGIBLE ASSETS | 8167.27 | 61.53 | 77.77 | 8151.03 | 6889.71 | 148.52 | 50.35 | 6987.88 | 1277.57 | 1163.17 |
| 2 - Capital Work In Progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3- Intangible Assets Computer Software | 14.75 | 0.00 | 0.00 | 14.75 | 14.01 | 0.00 | 0.00 | 14.01 | 0.74 | 0.74 |
| TOTAL-CURRENT YEAR INTANGIBLE ASSETS | 14.75 | 0.00 | 0.00 | 14.75 | 14.01 | 0.00 | 0.00 | 14.01 | 0.74 | 0.74 |
| Grand Total (Current year) | 8182.02 | 61.53 | 77.77 | 8165.78 | 6903.72 | 148.52 | 50.35 | 7001.89 | 1278.31 | 1163.91 |

NOTE : 06



Sri Lakshmi Saraswathi Textiles (Arni) Limited

NONCURRENT ASSETS

| 7 INVESTMENT | Amount Rs. in lakhs | |
|---|------------------------|------------------------|
| Name of the Company | As at 31st Mar 2019 | As at 31st Mar 2018 |
| <u>Non Current Investments</u> | | |
| (a) Quoted Investment carried at FVTOCI | | |
| (i) 5000(5000 shares as on 1st April 2018) Equity shares of Empee Sugars and Chemicals Ltd. <i>(Quoted investment cost Rs.35,000 Quoted investment Market Value Rs. 6,000)</i> | 0.06 | 0.12 |
| Sub Total (a) | 0.06 | 0.12 |
| (b) Unquoted Investment carried at FVTOCI | | |
| (i) NIL (As on 31.03.2018 64600 Equity shares of M/s.MMS Steels and Powers Pvt.Ltd) | 0.00 | 6.46 |
| (ii) 359563 (260381 shares as on 1st April 2018) Equity shares of Gamma Green Power Pvt. Ltd. | 35.96 | 26.04 |
| (iii) 100 (100 shares as on 1st April 2018) Equity shares of TCP Power Ltd. | 0.81 | 0.82 |
| (iv) 50000 (25000 shares as on 1st April 2018) shares at Rs.10 each Equity shares of Dhanalakshmi Srinivasan Sugars Ltd. | 5.00 | 2.50 |
| Sub Total (b) | 41.77 | 35.82 |
| Total Carrying Value | 41.83 | 35.94 |

8 OTHER NON CURRENT ASSETS

| Amount Rs. in lakhs | | |
|----------------------------|------------------------|------------------------|
| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
| (i) MAT credit Entitlement | 105.95 | 110.75 |
| (ii) Capital Advances | 21.40 | 21.40 |
| Total | 127.35 | 132.15 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

CURRENT ASSETS

9 INVENTORIES

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|-----------------------------|------------------------|------------------------|
| (a) Raw Materials | | |
| (i) Cotton | 184.75 | 138.37 |
| (ii) Polyester Staple Fibre | 82.01 | 93.59 |
| | 266.76 | 231.96 |
| (b) Stock-in-Process | 262.51 | 229.75 |
| (c) Finished Goods | | |
| (i) Yarn | 255.93 | 437.61 |
| (ii) Saleable waste | 8.70 | 7.56 |
| | 264.63 | 445.17 |
| (d) Stock-in-trade | 0.00 | 0.00 |
| (e) Stores and Spares | 41.79 | 44.26 |
| Total | 835.69 | 951.14 |

The mode of valuation of inventories disclosed in Note No. 5.4

10 TRADE RECEIVABLES

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|---|------------------------|------------------------|
| <u>Current</u> | | |
| Trade Receivables | | |
| (a) Secured, considered good | 0.00 | 0.00 |
| (b) Unsecured considered good | 307.86 | 404.88 |
| (c) Receivable with significant increase in credit risk | 0.00 | 0.00 |
| (d) Receivable which are credit impaired | 0.00 | 0.00 |
| Total | 307.86 | 404.88 |

11 CASH AND CASH EQUIVALENTS

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|-------------------------|------------------------|------------------------|
| (a) Cash on hand | 39.60 | 11.79 |
| (b) Balances with Banks | 6.36 | 7.76 |
| Total | 45.96 | 19.55 |

12 BANK BALANCES OTHER THAN (11) ABOVE

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|---|------------------------|------------------------|
| (a) Others | | |
| (i) Term deposits with bank held by banks as margin money | 44.83 | 43.51 |
| (ii) Deposit in Unpaid Dividend Account | 1.40 | 1.36 |
| Total | 46.23 | 44.87 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

13 SECURITY DEPOSITS

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|-------------------------------------|------------------------|------------------------|
| Current Security Deposits | 246.10 | 229.84 |
| Total | 246.10 | 229.84 |

14 CURRENT TAX ASSETS (Net)

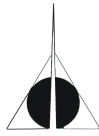
Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|---------------------------------------|------------------------|------------------------|
| (a) Provision for current tax unpaid | 0.00 | 0.00 |
| (b) Less: Tax paid pending adjustment | 7.81 | 5.62 |
| Total | 7.81 | 5.62 |

15 OTHER CURRENT TAX ASSETS

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|--|------------------------|------------------------|
| (i) Advances to Supplier/Contractors | 110.78 | 135.80 |
| (ii) Prepaid Expenses | 30.07 | 26.86 |
| (iii) CGST Input Credit / Excise duty input credit | 0.00 | 0.86 |
| (iv) CST Advance paid | 15.00 | 15.00 |
| (v) VAT Advance Paid | 0.10 | 0.10 |
| (vi) SGST Input Credit | 10.50 | 7.34 |
| (vii) Travelling and Wages Advances | 8.67 | 5.74 |
| (viii) Interest Accrued and Receivable | 0.38 | 0.37 |
| (ix) Duty Drawback Claim Receivable | 2.38 | 1.07 |
| Total | 177.88 | 193.14 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

16 - EQUITY SHARE CAPITAL

| Particulars | 31st March 2019 | | 31st March 2018 | |
|--|-----------------|---------------|-----------------|---------------|
| | No. of Shares | Amount in Rs. | No. of Shares | Amount in Rs. |
| Authorised | | | | |
| Equity Shares of Rs.10 each | 1,50,00,000 | 15,00,00,000 | 1,50,00,000 | 15,00,00,000 |
| Preference share of Rs. 10 each | 50,00,000 | 5,00,00,000 | 50,00,000 | 5,00,00,000 |
| Total Authorised Share Capital | 2,00,00,000 | 20,00,00,000 | 2,00,00,000 | 20,00,00,000 |
| Issued,Subscribed and fully paid up | | | | |
| Equity shares of Rs.10 each | 33,32,750 | 3,33,27,500 | 33,32,750 | 3,33,27,500 |

Note: A

Terms / Rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs 10/- Per share. Each Holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

Note: B Reconciliation of No. of shares outstanding

During the year the company has neither issued any shares nor bought back any shares.

| Reconciliation of the shares outstanding at the beginning and at end of the year | As at 31st March 2019 | | 31st March 2018 | |
|--|-----------------------|-------------|-----------------|-------------|
| | No. of shares | Value Rs. | No. of shares | Value Rs. |
| | 33,32,750 | 3,33,27,500 | 33,32,750 | 3,33,27,500 |

Note: C Shareholders holding more than 5% of the shares

| Name of Shareholders | As at 31st March 2019 | | 31st March 2018 | |
|----------------------------|-----------------------|--------------|--------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| S. BALAKRISHNA | 7,84,650 | 23.54 | 7,84,650 | 23.54 |
| R. THIRUMALAI | 2,26,003 | 6.78 | 2,26,003 | 6.78 |
| R. PADMANABHAN | 2,23,900 | 6.72 | 2,23,900 | 6.72 |
| R. RAJAGOPAL | 2,20,800 | 6.63 | 2,20,800 | 6.63 |
| R. PADMINI | 2,10,600 | 6.32 | 2,10,600 | 6.32 |
| ANIL KUMAR GOEL | 1,84,100 | 5.52 | 1,84,100 | 5.52 |
| SHANTHA SRIHARI | — | — | 1,70,000 | 5.10 |
| SRISH JAYENDER BALAKRISHNA | 1,70,000 | 5.10 | — | — |

Note: D

The company during the period of five years immediately preceeding 31st March 2019, has not issued any bonus shares, shares for consideration other than cash and has not bought back its shares. Further the company does not have any outstanding shares issued under options as on 31-03-2019



Sri Lakshmi Saraswathi Textiles (Arni) Limited

17 - OTHER EQUITIES RESERVES AND SURPLUS

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|-------------------------------|------------------------|------------------------|
| a) General reserve | 1560.57 | 1560.57 |
| b) Securities Premium Reserve | 443.42 | 443.42 |
| c) FVOCI Reserve | 0.05 | 0.11 |
| d) Retained earnings | -2294.21 | -1582.30 |
| Total | -290.17 | 421.80 |

GENERAL RESERVE

The General Reserve is the profit transferred from retained earnings from time to time. There is no policy of regular transfer

SECURITIES PREMIUM RESERVE

Represents excess of share subscription money received over par value of shares issued.

FVTOCI RESERVE

Fair value through other comprehensive income reserve represents the balance in equity for items to be accounted in other comprehensive income (OCI). The company has opted to recognize the changes in the fair value of certain investments in equity instruments. The company transfers amount from this reserve to retained earnings in case of loss / gain on actual sale.

RETAINED EARNINGS

Represents the portion of net income / (loss) of the company that has been retained / carried over by the company.

18 BORROWINGS

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|-----------------------------------|------------------------|------------------------|
| <u>Non-Current Secured</u> | | |
| Vehicle Loan from IOB | 19.85 | 27.91 |
| TOTAL | 19.85 | 27.91 |

Note: The above loan is secured by hypothecation of vehicles purchased out of the loan and personal guarantee of promotor Directors.

19 DEFERRED TAX LIABILITIES / (ASSETS)

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|--|------------------------|------------------------|
| Deferred tax liability at the beginning of the year | 0.00 | 0.00 |
| Add/ Loss Transfer from / To Profit and loss account during the year | 0.00 | 0.00 |
| Closing Balance Deferred Tax liability | 0.00 | 0.00 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

| Break up Details | Amount Rs. in lakhs | |
|--|------------------------|------------------------|
| | As at 31st Mar 2019 | As at 31st Mar 2018 |
| Deferred Tax Liability | | |
| i) Tax Liability on difference between book depreciation and depreciation under the Income Tax Act 1961. | 110.87 | 110.15 |
| Deferred Tax Assets | | |
| i) Tax effect on timing differences of certain expenses | -818.54 | -560.22 |
| Deferred Tax Liability/(assets) | -707.67 | -450.07 |

THE COMPANY DOES NOT RECKON DEFERRED TAX ASSET

20- CURRENT BORROWINGS

| Particulars | Amount Rs. in lakhs | |
|---------------------------------|------------------------|------------------------|
| | As at 31st Mar 2019 | As at 31st Mar 2018 |
| Borrowings Secured | | |
| -From banks | | |
| (a) Indian Overseas Bank | | |
| (i) Open Loan | 0.00 | 0.00 |
| (ii) Packing Credit | 0.00 | 0.00 |
| (b) State Bank of India | | |
| (i) Open Loan | 0.00 | 0.00 |
| (ii) Packing Credit | 0.00 | 0.00 |
| Total | 0.00 | 0.00 |

Note on Security Created

The open loan, Packing Credit, Bills discounting **, and letter of Credit limits for Working Capital** from Indian Overseas Bank, Esplanade Branch, Chennai - 600 108 and open Loan, Packing Credit Bills discounting** and letter of Credit Limits for working capital** from State Bank of India, Leather and International Branch, Chennai - 600 010 are secured as under:

1. Primary Security:

Hypothecation on entire Current assets, both present and future, which include raw materials, stock in process, finished goods, consumables etc., book debts on first pari passu basis and bills discounting limits are additionally secured by documents of title to goods.

2. Collateral Security

a) Equitable Mortgage on first pari passu basis of company's factory land and buildings in Arni Taluk, Tamilnadu, Wind Mill, Land and Building in Radhapuram Taluk, Tamilnadu and Registered Office land and building in Chennai.

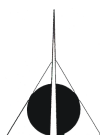
b) Hypothecation on first pari passu basis of all movable fixed assets, excluding assets which are charged on exclusive basis.

and

3) Personal Guarantee

Personal Guarantee of Promoter Directors Sri Balakrishna S, Managing Director and Sri.R.Padmanaban, Joint Managing Director.

** Details of Bills discounted but not realized and letters of credits issued not crystallized are disclosed under NOTE NO. 37 (i).



Sri Lakshmi Saraswathi Textiles (Arni) Limited

21 - BORROWINGS - UNSECURED

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|---|------------------------|------------------------|
| (i) Loan from related parties repayable on demand | 234.20 | 319.20 |
| (ii) Deposits from Consignment Agents | 1.00 | 1.00 |
| Total | 235.20 | 320.20 |

22 - TRADE PAYABLES

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|---|------------------------|------------------------|
| Due to micro and small enterprises | 8.78 | NIL |
| Due to other than micro and small enterprises | 1671.49 | 1255.97 |
| Total | 1680.27 | 1255.97 |

23 - OTHER FINANCIAL LIABILITIES

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|--|------------------------|------------------------|
| (a) Current maturity of Vehicle Loan (Secured) | 11.32 | 11.32 |
| (b) Advance from buyers and other Credits | 4.21 | 2.33 |
| (c) Un-paid dividends | 1.40 | 1.36 |
| (d) Interest accrued and due on borrowings | 30.08 | 5.32 |
| (e) Disputed deemed Demand | 6.84 | 0.00 |
| (f) Creditors for expenses | 279.18 | 265.56 |
| Total | 333.03 | 285.89 |

24 - PROVISIONS

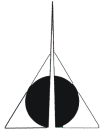
Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|------------------------------------|------------------------|------------------------|
| <u>Current</u> | | |
| a) Provision for Employee Benefits | 597.15 | 517.63 |
| b) Provision for Expenses | 1.12 | 9.32 |
| c) Provision for TDS | 12.85 | 3.22 |
| d) Provision for GST/VAT | 0.51 | 5.82 |
| Total | 611.63 | 535.99 |

25 - CURRENT TAX LIABILITIES (Net)

Amount Rs. in lakhs

| Particulars | As at 31st Mar 2019 | As at 31st Mar 2018 |
|---------------------------------------|------------------------|------------------------|
| <u>Current Tax Liabilities</u> | | |
| (a) Current year Tax Expenses | | |
| (b) Less: Tax paid pending adjustment | | |
| Current Tax Liability (NET) | 0.00 | 0.00 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

26 - REVENUE FROM OPERATION

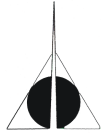
| PARTICULARS | Amount Rs. in lakhs | |
|-------------------------------------|---------------------|-----------------|
| | 2018-19 | 2017-18 |
| (a) Sales of Products | | |
| i) Yarn Sales | 11971.76 | 10325.39 |
| ii) Fabric Sales | 0.00 | 113.24 |
| iii) Waste Sales | 104.03 | 96.83 |
| iv) Miscellaneous Sales | 5.01 | 2.49 |
| Subtotal (a) | 12080.80 | 10537.95 |
| (b) Other Operating Revenues | | |
| (i) Duty drawback claim received | 13.61 | 13.66 |
| Subtotal (b) | 13.61 | 13.66 |
| REVENUE FROM OPERATION (a+b) | 12094.41 | 10551.61 |

27 - OTHER INCOME

| PARTICULARS | Amount Rs. in lakhs | |
|------------------------------------|---------------------|--------------|
| | 2018-19 | 2017-18 |
| (i) Interest income | 18.58 | 16.57 |
| (ii) Rent from Employees Quarters | 0.43 | 0.47 |
| (iii) Insurance claim Received | 1.25 | 4.80 |
| (iv) Job work charges | 1.77 | 0.00 |
| (v) Profit on Sale of Fixed Assets | 0.00 | 58.09 |
| Total | 22.03 | 79.93 |

28 - COST OF MATERIALS CONSUMED

| | Amount Rs. in lakhs | |
|-----------------------------------|---------------------|----------------|
| | 2018-19 | 2017-18 |
| Opening Stock | | |
| Cotton stock | 138.37 | 94.38 |
| Polyster Staple Fibre | 93.59 | 63.67 |
| | 231.96 | 158.05 |
| Add: Purchases | | |
| Cotton | 4331.75 | 3963.19 |
| Polyster Staple Fibre | 2947.62 | 2333.31 |
| | 7279.37 | 6296.50 |
| Less: Closing Stock | | |
| Cotton | 184.75 | 138.37 |
| Polyster Staple Fibre | 82.01 | 93.59 |
| | 266.76 | 231.96 |
| Raw Material Consumed | 7244.57 | 6222.59 |
| Packing Materials Consumed | 151.81 | 151.81 |
| Cost of materials consumed | 7396.38 | 6374.40 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

| 29 - PURCHASE OF STOCK- IN-TRADE | | Amount Rs. in lakhs | |
|---|----------------|----------------------------|--|
| PARTICULARS | 2018-19 | 2017-18 | |
| Yarn purchase | 126.73 | 181.78 | |
| Total | 126.73 | 181.78 | |

| 30 - CHANGES IN INVENTORIES OF WORK-IN-PROCESS | | Amount Rs. in lakhs | |
|---|----------------|----------------------------|--|
| PARTICULARS | 2018-19 | 2017-18 | |
| Work-in-Process - Opening stock | 229.76 | 181.80 | |
| Work-in-Process - Closing stock | 262.51 | 229.76 | |
| Sub Total | -32.75 | -47.96 | |

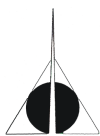
| 31 - CHANGES IN INVENTORIES OF FINISHED GOODS | | Amount Rs. in lakhs | |
|--|----------------|----------------------------|--|
| PARTICULARS | 2018-19 | 2017-18 | |
| Finished Goods - Opening stock | 445.17 | 522.61 | |
| Finished Goods - Closing stock | 264.63 | 445.17 | |
| Sub Total | 180.54 | 77.44 | |

| 32 - GST AND CENTRAL EXCISE DUTY | | Amount Rs. in lakhs | |
|---|----------------|----------------------------|--|
| PARTICULARS | 2018-19 | 2017-18 | |
| GST | 929.77 | 697.24 | |
| CENTRAL EXCISE DUTY | 0.00 | 0.27 | |
| Total | 929.77 | 697.51 | |

| 33 - EMPLOYEE BENEFITS EXPENSE | | Amount Rs. in lakhs | |
|---|----------------|----------------------------|--|
| PARTICULARS | 2018-19 | 2017-18 | |
| (i) Salaries Wages and Bonus | 1164.88 | 1065.57 | |
| (ii) Contribution to Employees PF & Family Pension Fund | 86.14 | 90.07 | |
| (iii) Provision for contribution to Gratuity Fund | 61.75 | 111.28 | |
| (iv) Workmen & Staff Welfare Expenses | 78.70 | 66.38 | |
| (v) Managerial Remuneration (Ref.Annex.I) | 54.49 | 49.62 | |
| Total | 1445.96 | 1382.92 | |

Annx.I

| Managerial Remuneration | | Amount Rs. in lakhs | |
|--------------------------------|----------------|----------------------------|--|
| PARTICULARS | 2018-19 | 2017-18 | |
| (a) Salary | 40.20 | 36.30 | |
| (b) Contribution to PF | 2.89 | 2.61 | |
| (c) Provision for Bonus | 2.16 | 1.75 | |
| (d) Medical Reimbursement | 1.39 | 1.76 | |
| (e) Provision for Gratuity | 4.05 | 2.90 | |
| (f) Directors Sitting Fees | 3.80 | 4.30 | |
| | 54.49 | 49.62 | |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

34 - FINANCE COSTS

| PARTICULARS | Amount Rs. in lakhs | |
|--|---------------------|--------------|
| | 2018-19 | 2017-18 |
| Finance Expenses | | |
| (a) Interest on Term Loan from Banks | 3.26 | 2.03 |
| (b) Interest on working capital borrowing from banks | 20.36 | 26.65 |
| (c) Interest- others | 126.38 | 50.09 |
| (c) Interest- MSME | 1.06 | 0.00 |
| (d) Bank Charges | 16.29 | 21.70 |
| (e) Foreign Exchange Rate Fluctuation | -2.16 | -5.18 |
| Total | 165.19 | 95.29 |

35 - OTHER EXPENSES

| PARTICULARS | Amount Rs. in lakhs | |
|---|---------------------|----------------|
| | 2018-19 | 2017-18 |
| MANUFACTURING AND OTHER OPERATING EXPENSES | | |
| i) Power and fuel | 1740.99 | 1593.77 |
| ii) Fabric Conversion Charges | 0.00 | 5.90 |
| iii) Repairs & Maintenance | | |
| (a) Building | 33.39 | 39.05 |
| (b) Machinery | 262.93 | 228.25 |
| (c) Others | 8.46 | 9.19 |
| Total (a) | 2045.77 | 1876.16 |
| ADMINISTRATION AND OTHER CHARGES | | |
| (a) Insurance | 13.51 | 13.89 |
| (b) Vehicle Maintenance | 42.37 | 39.16 |
| (c) Rates, Renewal & Taxes | 12.74 | 7.63 |
| (d) Other Administrative Expenses | 112.44 | 124.77 |
| Total (b) | 181.06 | 185.45 |
| Selling Expenses | | |
| (a) Commission & Brokerage on Yarn Sales | 60.13 | 37.87 |
| (b) Godown Rent | 0.00 | 0.01 |
| (c) Freight & Other selling expenses | 203.57 | 159.16 |
| Total (c) | 263.70 | 197.04 |
| GRAND TOTAL (a+b+c) | 2490.53 | 2258.65 |

36 - EXCEPTIONAL ITEMS

| | | |
|--|--------------|---------------|
| Certain expenses creditors which are no longer payable written back (Exceptional Income) | 24.24 | 130.84 |
| Certain loan creditors which are no longer payable written back (Exceptional Income) | 0.00 | 50.00 |
| | 24.24 | 180.84 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

NOTE NO. 37

DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019.

i) Contingent Liabilities and Commitments not provided for

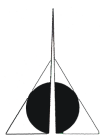
| Details | (Rs.in lakhs) | |
|---|---------------------|---------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| a) Contingent Liabilities | | |
| Contingent Liabilities not provided for in respect of | | |
| 1. Export Bills Discounted under irrevocable Letters of Credit issued by Foreign Banks | 98.36 | 86.65 |
| 2. Disputed Income Tax Liabilities | 0.00 | 0.00 |
| 3. Disputed Contribution to Employees State Insurance Corporation | 0.00 | 4.15 |
| b) Commitments | | |
| 1. Estimated amounts of contracts remaining to be executed on capital accounts not provided for | 0.00 | 0.00 |
| 2. Other commitments: | | |
| Liabilities on Letters of Credit issued for capital goods. | 0.00 | 0.00 |
| Liabilities on Letters of Credit issued for others | 0.00 | 0.00 |

ii) Gratuity

The company has not funded gratuity liability to Employees Gratuity Fund as per actuarial valuation for the last 9 years and the total amount to be funded is Rs.400.25 Lakhs. (As on 31.03.2018 Rs.339.51 Lakhs).

iii) Details relating to micro and small enterprises is as follows:

| S.No | Particulars | (Rs. in Lakhs) | |
|------|--|----------------|------------|
| | | 31-03-2019 | 31-03-2018 |
| (a) | The principal amount | 7.83 | 10.68 |
| (b) | The interest due thereon remaining unpaid | 0.95 | NIL |
| (c) | The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006(27 of 2006) along with the amount of the payment made to suppliers beyond the appointed day during accounting year | 41.62 | NIL |
| (d) | The amount of interest due and payable for the period of delay in making payment (paid beyond the appointed date) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | 0.90 | NIL |
| (e) | The amount of interest accrued and remaining unpaid at the end of accounting year | 0.95 | NIL |
| (f) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act,2006 | 2.15 | NIL |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

iv) Deposit received from Director

| Particulars | (Rs.in Lakhs) | |
|--------------------------|---------------|---------|
| | 2018-19 | 2017-18 |
| Opening balance | 319.20 | 0.00 |
| Received During the year | 25.00 | 319.20 |
| Re-paid during the Year | 110.00 | 0.00 |
| Closing Balance | 234.20 | 319.20 |

v) Details of Auditors' Remuneration:

| Details | 2018-19 Rs.in lakhs | 2017-18 Rs.in lakhs |
|-----------------|------------------------|------------------------|
| Statutory Audit | 2.50 | 2.50 |
| Total | 2.50 | 2.50 |

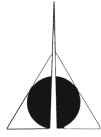
vi) Confirmation of balances from Debtors and Creditors have not been received in certain cases.

vii) Items of revenue / expense amounting to more than 1% of total value has been disclosed separately.

viii) Previous year's figures have been re-grouped wherever necessary to conform to this year's classification.

ix) As per IND AS 19, Employees Benefit, the disclosure of employees benefits as defined in the Accounting standard are given below:

| Details | 31/03/2019 Rs.in lakhs | 31/03/2018 Rs.in lakhs |
|---|---------------------------|---------------------------|
| a) Defined Contribution Plan Employers Contribution to provident Fund | 68.15 | 68.60 |
| b) Gratuity Plan (funded) | | |
| Present value of the obligation at the beginning of the period | 430.67 | 333.58 |
| Interest Cost | 30.35 | 23.36 |
| Current service cost | 20.99 | 16.42 |
| Past Service Cost | 0.00 | 0.79 |
| Less: Benefits paid (if any) | (72.08) | (18.20) |
| Actuarial (gain)/loss | 11.83 | 74.71 |
| Present value of the obligation at the end of the period | 421.75 | 430.67 |
| Actuarial Assumptions | | |
| Discount Rate (per annum) | 7.60% | 7.69% |
| Rate of increase in compensation levels | 5.00% | 5.00% |
| Attrition rate | 2.00% | 2.00% |
| Expected rate of return on plan Assets | 7.60% | 7.69% |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

ix) Earning Per Share:

| Details | 2018-19 Rs.in lakhs | 2017-18 Rs.in lakhs |
|--|------------------------|------------------------|
| Net Profit/ Loss for the period (A) | -711.91 | -356.17 |
| Adjusted weighted average number of equity shares (B) | 33,32,750 | 33,32,750 |
| Basic and diluted earning per share of Rs.10 each in Rs. (A)/(B) | -21.36 | -10.69 |
| Reconciliation of weighted average number of equity shares | | |
| No.of shares at the beginning of the year | 33,32,750 | 33,32,750 |
| No.of shares at the end of the year | 33,32,750 | 33,32,750 |
| Adjusted weighted average | | |
| No.of equity shares | 33,32,750 | 33,32,750 |

x) Related party transactions:

As per the IND AS 24 – Related party transactions, the company's related party and the details of transactions the company had with them are given below:

a) Key Managerial Personnel and relatives of Key Managerial Personnel

| | Name of the Key Managerial personnel | Designation |
|----|--------------------------------------|---------------------------------|
| 1. | Sri. Balakrishna S | Managing Director and CEO |
| 2. | Sri. R. Padmanaban | Joint Managing Director and CFO |
| 3. | Smt. Geetha Sundararaghavan | Company Secretary |
| 4. | Sri J.M.Grover | Independent Director |
| 5. | Sri. R. Sambasivan | Independent Director |
| 6. | Smt. Sivarani J | Director |

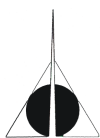
b) Relatives of Key Managerial Personnel

| | Name of the Key Managerial personnel | Relationship |
|----|--------------------------------------|--|
| 1. | Sri. R.Thirumalai | Brother of Sri. R. Padmanaban, JMD and CFO |
| 2. | Sri. R.Rajagopal | Brother of Sri. R. Padmanaban, JMD and CFO |
| 3. | Sri. Srish Jayender Balakrishna | Son of Sri. Balakrishna S, MD and CEO |

c) Companies over which KMP/Relatives of KMP exercise significant influence:

1. Nilgiris Flower Company Limited
2. Sherhood Properties Private Limited
3. Masterjee Institute of Studies Pvt. Ltd
4. SLST Industries Ltd.

d) Other entities over which there is a significant influence is NIL.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

e) Disclosure in respect of related party transactions(excluding Reimbursement) during the year and outstanding balances including commitments as at the reporting date:

i) Payments made to Directors

| Key Managerial personnel | 2018-19 Rs.in lakhs | 2017-18 Rs.in lakhs |
|---------------------------------|--------------------------------|--------------------------------|
| Sri. J.M.Grover | 1.30 | 1.80 |
| Sri. R. Sambasivan | 1.30 | 1.20 |
| Smt. Sivarani J | 1.20 | 1.30 |

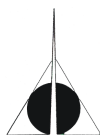
ii) Remuneration to Key Management Personnel

| Key Managerial personnel | 2018-19 Rs.in lakhs | 2017-18 Rs.in lakhs |
|---|--------------------------------|--------------------------------|
| Sri.Balakrishna S, Managing Director & CEO | 30.14 | 27.61 |
| Sri.R.Padmanaban, Joint Managing Director & CFO | 20.55 | 17.69 |
| Smt.Geetha Sundaraghavan, Company Secretary | 13.65 | 11.52 |
| Relatives of KMP | | |
| Sri. R.Thirumalai, Production Manager | 14.80 | 13.39 |
| Sri. R.Rajagopal, Administrative Manager | 6.28 | 5.57 |
| Sri. Srish Jayender Balakrishna, General Manager - Marketing | 6.32 | 5.51 |

iii) Loan and advances (borrowings) from Key Management Personnel:

Amount taken from Key Management Personnel

| Particulars | 31-03-2019 Rs.in lakhs | 31-03-2018 Rs.in lakhs |
|---|-----------------------------------|-----------------------------------|
| i) Amount taken from Sri. R.Padmanaban, Joint Managing Director / Chief Financial Officer. | | |
| a) Outstanding as on 31 st March | (234.20) | (319.20) |
| b) Maximum amount outstanding during the year | (319.20) | (319.20) |
| c) Rate of Interest – Payable | 11.00% | Nil |
| d) Interest | 27.43 | 0.00 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

iv) Disclosure of key Management Personnel compensation in total and for each of the following categories:

| Key managerial personnel | For 2018-19 | | | | For 2017-18 | | | |
|---|------------------------------------|-------------------------------------|--|----------------------|------------------------------------|-------------------------------------|--|----------------------|
| | Short term benefits Rs.in lakhs | Defined contribution Rs.in lakhs | Defined benefit plans (provision) Rs.in lakhs | Total Rs.in lakhs | Short term benefits Rs.in lakhs | Defined contribution Rs.in lakhs | Defined benefit plans (provision) Rs.in lakhs | Total Rs.in lakhs |
| Sri. Balakrishna S, Managing Director & CEO | 25.86 | 1.73 | 2.55 | 30.14 | 23.88 | 1.57 | 2.16 | 27.61 |
| Sri. R. Padmanaban Joint Managing Director & CFO | 17.88 | 1.17 | 1.50 | 20.55 | 15.91 | 1.05 | 0.73 | 17.69 |
| Smt.Geetha Sundararaghavan, Company Secretary | 12.75 | 0.90 | Note No.3 | 13.65 | 10.75 | 0.77 | Note No.3 | 11.52 |

NOTE:

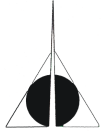
1. Short term benefits includes bonus, and value of perquisites.
2. Defined contribution includes contribution to Provident fund and Superannuation fund.
3. As the liability for gratuity are provided on actuarial basis for the company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

xi) Disclosure of Fair value measurements

(a) Financial Instruments by category:-

The following table provides categorization of all financial instruments

| Particulars | Amortised Cost Rs.in lakhs | FVTPL | FVTOCI Rs.in lakhs | Carrying Amount Rs.in lakhs | Fair Value Rs.in lakhs |
|------------------------------|-------------------------------|-------|-----------------------|--------------------------------|---------------------------|
| As at 31-03-2019 | | | | | |
| Financial Assets | | | | | |
| Investments | 40.96 | - | 0.87 | 41.83 | 41.83 |
| Trade Receivables | 307.86 | - | - | 307.86 | 307.86 |
| Cash and Cash Equivalents | 92.19 | - | - | 92.19 | 92.19 |
| Other Financial Assets | 246.10 | - | - | 246.10 | 246.10 |
| Financial Liabilities | | | | | |
| Borrowings | 255.05 | - | - | 255.05 | 255.05 |
| Trade Payables | 1680.27 | - | - | 1680.27 | 1680.27 |
| Other financial liabilities | 333.03 | - | - | 333.03 | 333.03 |
| As at 31-03-2018 | | | | | |
| Financial Assets | | | | | |
| Investments | 35.00 | - | 0.94 | 35.94 | 35.94 |
| Trade Receivables | 404.88 | - | - | 404.88 | 404.88 |
| Cash and Cash Equivalents | 64.42 | - | - | 64.42 | 64.42 |
| Other Financial Assets | 229.84 | - | - | 229.84 | 229.84 |
| Financial Liabilities | | | | | |
| Borrowings | 348.11 | - | - | 348.11 | 348.11 |
| Trade Payables | 1255.97 | - | - | 1255.97 | 1255.97 |
| Other financial liabilities | 285.89 | - | - | 285.89 | 285.89 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

(b) 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.

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

| Particulars | Level 1 (Rs.in lakhs) | Level 2 (Rs.in lakhs) | Level 3 (Rs.in lakhs) | Total (Rs.in lakhs) |
|---|--------------------------|--------------------------|--------------------------|------------------------|
| Financial Instruments at FVTOCI | | | | |
| Investment in listed equity securities | | | | |
| As at 31-03-2019 | 0.87 | - | - | 0.87 |
| As at 31-03-2018 | 0.94 | - | - | 0.94 |
| Investment in unlisted equity securities | | | | |
| As at 31-03-2019 | - | - | 40.96 | 40.96 |
| As at 31-03-2018 | - | - | 35.00 | 35.00 |

Valuation technique used to determine the fair value

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

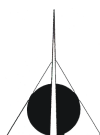
| Nature of Financial Instruments | Valuation technique | Remarks |
|-----------------------------------|-------------------------------|--|
| Investment in Listed securities | Market Value | Closing Price as at 31st March in stock Exchange |
| Investment in Unlisted securities | Discounted Cash flow Analysis | Nil |

xii) 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 |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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.

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.

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 for margin money held for purpose of LC. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

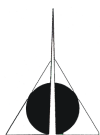
Liquidity Risk

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.

Financial arrangements

The company has access to the following undrawn borrowing facilities:

| Particulars | (Rs.in lakhs) | |
|---|---------------|------------|
| | 31-03-2019 | 31-03-2018 |
| Working capital and other facilities | | |
| Expiring within one year | Nil | Nil |
| Expiring beyond year | Nil | Nil |



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Maturities of Financial Liabilities

| Nature of Financial Liability | < 1 Year (Rs.in lakhs) | 1-5 Years (Rs.in lakhs) | > 5 Years (Rs.in lakhs) | Total (Rs.in lakhs) |
|-------------------------------|---------------------------|----------------------------|----------------------------|------------------------|
| As at 31-03-2019 | | | | |
| Borrowing from Banks | 11.31 | 19.85 | Nil | 31.16 |
| Trade payable | 1680.27 | Nil | Nil | 1680.27 |
| Other financial Liability | 321.73 | Nil | Nil | 321.73 |
| Unsecured Borrowing | 235.20 | Nil | Nil | 235.20 |
| As at 31-03-2018 | | | | |
| Borrowing from Banks | 11.31 | 27.91 | Nil | 39.22 |
| Trade payable | 1255.97 | Nil | Nil | 1255.97 |
| Other financial Liability | 274.58 | Nil | Nil | 274.58 |
| Unsecured Borrowing | 320.20 | Nil | Nil | 320.20 |

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 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, 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:

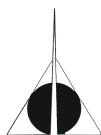
| Currency | Trade Payables | Trade and other Receivables | Balance with Banks |
|------------------|----------------|-----------------------------|--------------------|
| In USD | | | |
| As at 31-03-2019 | Nil | Nil | Nil |
| As at 31-03-2018 | Nil | Nil | Nil |
| In EURO | | | |
| As at 31-03-2019 | Nil | Nil | Nil |
| As at 31-03-2018 | Nil | Nil | Nil |

Risk sensitivity on foreign currency fluctuation

| Foreign Currency | 31-03-2019 | | 31-03-2018 | |
|------------------|-------------|-------------|-------------|-------------|
| | 1% Increase | 1% Decrease | 1% Increase | 1% Decrease |
| USD | Nil | Nil | Nil | Nil |
| EURO | Nil | Nil | Nil | Nil |

Cash flow and fair value interest rate risk

Interest rate risk arises from short term borrowings with variable rates which exposed the Company to cash flow interest rate risk. 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.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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.

| Particulars | 31-03-2019 Rs.in Lakhs | 31-03-2018 Rs.in Lakhs |
|--------------------------|---------------------------|---------------------------|
| Variable rate Borrowings | Nil | Nil |

Sensitivity on Interest rate fluctuation

| Incremental Interest Cost works out to | 31-03-2019 Rs.in Lakhs | 31-03-2018 Rs.in Lakhs |
|--|---------------------------|---------------------------|
| 1% Increase in Interest rate | Nil | Nil |
| 1% Decrease in Interest rate | Nil | Nil |

xiii) 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 | 31-03-2019 | 31-03-2018 |
|---|---------------|----------------|
| Short Term Borrowings | 246.52 | 331.52 |
| Less:- Cash and Cash Equivalents | 92.19 | 64.42 |
| Net Debt(A) | 154.33 | 267.10 |
| Equity Share Capital | 333.28 | 333.28 |
| Other Equity | -290.17 | 421.80 |
| Total Equity (B) | 43.11 | 755.08 |
| Total Capital Employed(C)= (A)+(B) | 197.44 | 1022.18 |
| Capital Gearing Ratio (A)/ (C) | 78.16% | 26.13% |

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. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2019 and 31-03-2018.

BALAKRISHNA S
Managing Director &
Chief Executive Officer

GEETHA SUNDARARAGHAVAN
Company Secretary

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer
As per our report annexed
For **M/s.B.Purushottam & Co**
Chartered Accountants
Regn No:002808S

Place: Chennai
Date : May 28, 2019

(B.S. PURSHOTHAM)
Partner
M.No.2678S

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

(CIN L17111TN1964PLC005183)

Registered Office: 16, Krishnama Road, Nungambakkam, Chennai 600 034.

Email: slst@slstarni.com

Web: www.slstindia.com

Phone: 044 28223132 / 28277344

PROXY FORM

Name of the member (s) :
Registered address:
E-mail ID:
Folio/ DP ID Client ID No.

I/ We being the member(s) of Shares of the above named Company hereby appoint:

- (1) Name:..... Address:.....
 Email ID:..... Signature..... or failing him;
- (2) Name:..... Address:.....
 Email ID:..... Signature..... or failing him;
- (3) Name:..... Address:.....
 Email ID:..... Signature..... or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 55th Annual General Meeting of the Company, to be held on Wednesday, August 28, 2019 at 2.30 PM at Rani Seethai Hall, 603 Mount Road, Chennai-600 006 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Res. No. | Resolutions | Optional | |
|----------|--|----------|---------|
| | | For | Against |
| | ORDINARY BUSINESS | | |
| 1. | Adoption of Financial Statements for the year ended 31st March 2019. | | |
| 2. | Re-appointment of Mr.R.Padmanaban, who retires by rotation. | | |
| | SPECIAL BUSINESS - ORDINARY RESOLUTION | | |
| 3. | To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2020 . | | |

Signed this day of 2019

Signature of shareholder.....

Signature of Proxy holder(s)

Affix
 Re.0.15
 Revenue
 Stamp

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.
- For the Resolution, Explanatory Statement and Notes, please refer to the Notice of the 55th Annual General Meeting.
- It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or Against column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

(CIN L17111TN1964PLC005183)

Registered Office: 16, Krishnama Road, Nungambakkam, Chennai 600 034.

Email: slst@slstarni.com

Web: www.slstindia.com

Phone: 044 28223132 / 28277344

ATTENDANCE SLIP

55th AN NUAL GENERAL MEETING

2019

I/We hereby record my/our presence at the 55th Annual General Meeting of the Company at Rani Seethai Hall, 603 Mount Road, Chennai-600 006 on Wednesday, August 28, 2019 at 02.30 P.M

.....
Member's Folio/DP ID-Client ID No.

.....
Member's/ Proxy's name in Block Letters

.....
Member's/ Proxy's signature

Note:

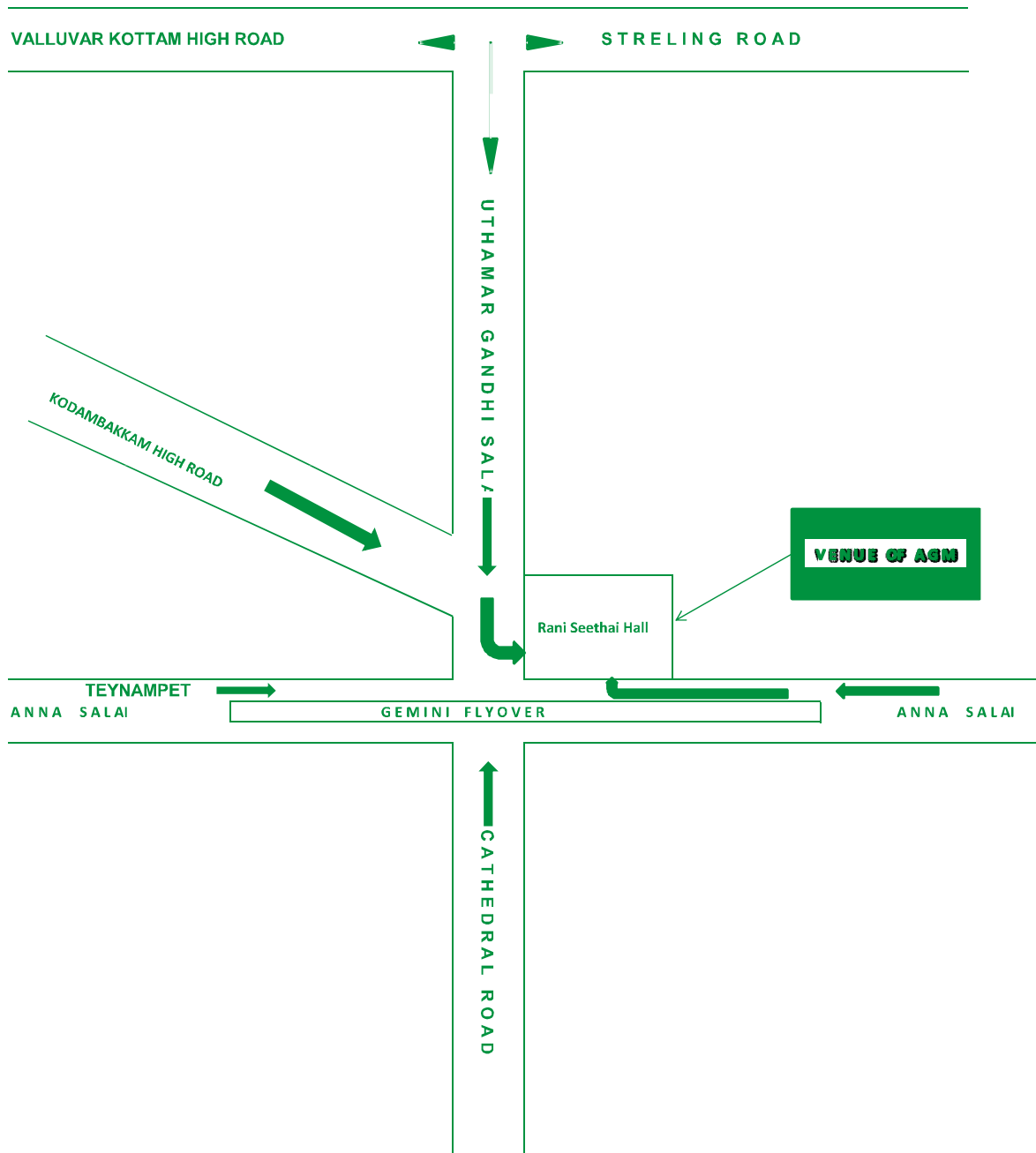
1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2018-19 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2018-19 and Notice of the Annual General Meeting alongwith Attendance slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

NOTE: NO GIFTS OR SWEET BOXES WILL BE DISTRIBUTED AT THE VENUE OF AGM

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

Map showing location of venue of 55th Annual General Meeting

Venue Address: Rani Seethai Hall, 603 Mount Road, Chennai -600 006, Tamil Nadu



If undelivered please return to



Sri Lakshmi Saraswathi Textiles (Arni) Limited

New No.16, Krishnama Road,
Nungambakkam, Chennai - 600 034.