

# Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

April 29, 2022

To,  
The Secretary,  
Dept of Corporate Services,  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
Mumbai - 400 001

**SUB.: Outcome of Board Meeting of Sri Lakshmi Saraswathi Textiles (ARNI) Limited held on April 29, 2022 in accordance to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.**

**Scrip ID: SLSTLQ/ Scrip Code: 521161**

Dear Sir,

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, we would like to inform you that the Board of Directors at their meeting held today i.e., April 29, 2022 has *inter-alia* considered and approved the following:

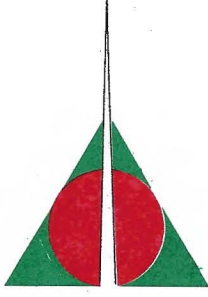
1. **Scheme of Arrangement:** Based on recommendation of the Audit Committee and Committee of Independent Directors meeting, the Board of Directors *inter-alia* considered and approved the draft Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (Arni) Limited ("the Company"/ "the Demerged Company") and SLST Industries Limited ("the Resulting Company") where by:
  - (a) **B Mill**, a Spinning Mill with installed capacity of 35,088 Ring Spindles, manufacturing yarn for weaving and knitting ("the **Demerged Undertaking**") situated at Raghunathapuram, Sevoor Village, Arni Taluk, Tiruvannamalai District, Tamil Nadu- 632316 will be demerged and *inter-alia* be transferred and vested in the Resulting Company on a going concern basis with effect from the Appointed Date i.e., April 01, 2021.
  - (b) **A Mill**, a Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting ("the **Remaining Undertaking**") situated at Raghunathapuram, Sevoor Village, Arni Taluk, Tiruvannamalai District, Tamil Nadu- 632316 will continue forming part of the Demerged Company.

The transaction is proposed through a Scheme of Arrangement as per section 230 to 232 of the Companies Act, 2013.

The said Scheme would be subject to requisite approvals of the National Company Law Tribunal, BSE Limited, Securities and Exchange Board of India and other statutory / regulatory authorities, including those from the shareholders and creditors of the Company (Demerged Company) and the Resulting Company as may be applicable.

Regd. Off. : 16, Krishnama Road, Nungambakkam, Chennai - 600 034. India  
Phone: 91-44-28277344 / 28270548 E-mail : slst@slstarni.com  
Web : www.slstindia.com





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We will file the application for in-principle approval of the stock exchange in due course.

The relevant details of the Scheme of Arrangement as per **SEBI Circular CIR/CFD/CMD/4/2015** dated **September 09, 2015**, as amended, are enclosed herewith as **Annexure I**.

- Change of Compliance Officer:** Mr. Balakrishna S, Managing Director, ceased to be Compliance Officer of the Company with effect from the close of the business hours of 28<sup>th</sup> April 2022.
- Appointment of Company Secretary and Compliance Officer:** Appointment of Mr. Jitendra Kumar Pal as Company Secretary & Compliance officer of the Company with effect from 29<sup>th</sup> April 2022 pursuant to section 203 of the Companies Act 2013 and Regulation 6(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

Brief profile of Mr. Jitendra Kumar Pal, Company Secretary and Compliance Officer as per **SEBI Circular CIR/CFD/CMD/4/2015** dated **September 09, 2015**, as amended, are enclosed herewith as per **Annexure II**.

The meeting of the Board of Directors commenced at 10.20 A.M and concluded at 05.15 PM

The aforesaid is for your information and record please.

**Thanking you.**

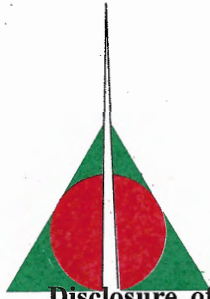
**Yours faithfully,**  
**For Sri Lakshmi Saraswathi**  
**Textiles (ARNI) Limited**

**(Balakrishna S)**  
**Managing Director**  
**DIN: 00084524**



*Encl.: As above*





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## Annexure I

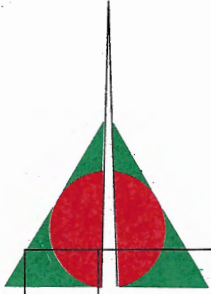
Disclosure of information pursuant to Regulation 30 of SEBI LODR Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.

Sr. No	Particulars	Details
01.	Brief details of the division(s) to be demerged	<p>B Mill ("the <b>Demerged Undertaking</b>")- A Spinning Mill with installed capacity of 35,088 Ring Spindles, manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu will be demerged and inter-alia be transferred and vested in the Resulting Company on a going concern basis.</p> <p>B Mill is manufacturing all varieties of cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market such as Erode, Tirupur and Pallipalayam in Tamil Nadu and other markets in the State of Maharashtra.</p>
02	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	<p><b>Turnover details as on 31<sup>st</sup> March 2021:</b> Turnover of the demerged division- Rs.3967.78Lakhs Total Turnover of the listed company- Rs.8601.65 Lakhs Turnover of the demerged division as percentage to the total turnover of the listed entity- 46.13%</p>
03	Rationale for demerger	<p>a) The Demerged Company is presently having installed capacity of 33,360 Ring Spindles in A Mill and 35,088 Ring Spindles in B Mill. A Mill is manufacturing all varieties of 100% cotton yarn of fine counts used for manufacture of fine varieties cloths and the products which are marketed mainly in up countries where power looms are operated in large scale and B Mill is manufacturing all varieties of cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market such as Erode, Tirupur and Pallipalayam in Tamil Nadu and other markets in the State of Maharashtra. The Resulting Company is formed with intention to absorb the transfer, demerge the B Mill (Demerged Undertaking) of the Demerged Company which has installed capacity of 35,088 Ring Spindles pursuant to Scheme of arrangement (Demerger). The Resulting Company would be focusing on mainly manufacturing all varieties of cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market. The Resulting Company will be concentrating on manufacturing of yarn suitable for manufacture of Suiting Cloth and Knitted Fabrics. Its products will continue to be marketed in the domestic market in Erode, Tirupur and Pallipalayam in</p>



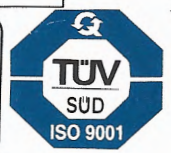
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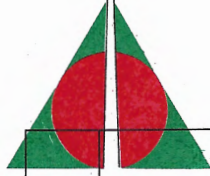
Tamilnadu. Since the Resulting Company will be manufacturing yarns of different kind, garments, athletic wear, other products in the textile value chain and market them in different area and in order to manage both the Mills efficiently and in a focused manner and to improve the overall performance of both the Mills, the management of Demerged Company has considered it necessary to demerge, transfer and vest the B Mill of the Demerged Company, as a going concern into the Resulting Company.

- b) The Scheme if implemented will facilitate a separate and better management focus for both the Demerged Company and the Resulting Company on their respective units and thereby provide the distinct competencies required for achieving full potential, in order to meet the betterment of their respective customers, their needs, priorities and thereby eliminating any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success.
- c) Further the proposed Scheme of Arrangement (Demerger) is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholders value and to achieve higher long-terms financial returns.
- d) The Scheme will contribute in furthering and fulfilling the objects of the companies concerned.
- e) The Scheme will enable both the Demerged and Resulting Companies to carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests. The Scheme will enable both the Companies to take advantage of the opportunities foreseen in their respective businesses and to assist in the exploitation and realization of the full potential in the respective businesses and implement schemes of modernization, technology upgradation, expansion, diversification etc.,
- f) After the implementation of the Scheme, there will be Inter-se Transfer amongst the Promoter/ Promoter Group.
- g) The Scheme will result in business synergies, synergies in operational process and creation of efficiencies by reducing time to market and benefiting customers as well as optimization of operation and capital expenditure.



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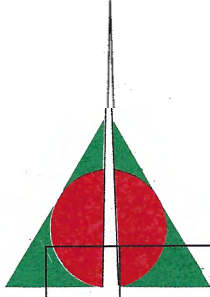


		<p>h) The Reorganization of the Equity Share Capital of the Demerged Company as proposed in this scheme would be utilized to adjust the accumulated losses of the Demerged Company, so as to enable the reflection of the true and accurate financial position of the Demerged Company. The Reorganization of the Share Capital would enable and facilitate the streamlining of the financial position of the Demerged Company and also permit invitation for further debt or equity infusion. The Reorganization of the Share Capital would not prejudice any of the stakeholders and would be in the best interest of the stakeholders.</p> <p>i) The Scheme is in interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either Demerged Company or Resulting Company would be prejudiced as a result of the Scheme of Arrangement and the Scheme will have beneficial results for the companies, their shareholders and employees and is also in general public interest.</p>																								
04	<p>Brief details of change in shareholding pattern (if any) of all entities</p>	<p>The Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company is Rs. 3,33,27,500/- (Rupees Three Crore Thirty-Three Lakhs Twenty-Seven Thousand and Five Hundred Only) divided into 33,32,750 (Thirty-Three Lakh Thirty-Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Rs. 10/- (Rupees Ten Only) each fully paid up. It is proposed to Split the Share Capital of the Company between the Demerged Company and the Resulting Company as follows:</p> <p>i. <b>Demerged Company:</b> Rs. 33,32,750/- (Rupees Thirty-Three Lakhs Thirty-Two Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Re. 1/- (Rupees One Only) each fully paid up.</p> <p>ii. <b>Resulting Company:</b> Rs. 2,99,94,750/- (Rupees Two Crores Ninety-Nine Lakhs Ninety-Four Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Rs. 9/- (Rupees Nine Only) each fully paid up</p> <p>Accordingly, the Shareholding Pattern of the Company and Resulting Company Post Demerger would be as follows:</p> <p><b>Pre and Post Shareholding Pattern of the Demerged Company:</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Pre-Shareholding*</th> <th colspan="2">Post-Shareholding**</th> </tr> <tr> <th>No of Equity Shares</th> <th>%</th> <th>No of Equity Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Promoter &amp; Promoter Group</td> <td>18,35,953</td> <td>55.09</td> <td>18,35,953</td> <td>55.09</td> </tr> <tr> <td>Public</td> <td>14,96,797</td> <td>44.91</td> <td>14,96,797</td> <td>44.91</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>33,32,750</b></td> <td><b>100.00</b></td> <td><b>33,32,750</b></td> <td><b>100.00</b></td> </tr> </tbody> </table> <p>* Rs. 3,33,27,500/- divided into 33,32,750 Equity Shares of the</p>	Category	Pre-Shareholding*		Post-Shareholding**		No of Equity Shares	%	No of Equity Shares	%	Promoter & Promoter Group	18,35,953	55.09	18,35,953	55.09	Public	14,96,797	44.91	14,96,797	44.91	<b>TOTAL</b>	<b>33,32,750</b>	<b>100.00</b>	<b>33,32,750</b>	<b>100.00</b>
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<b>TOTAL</b>	<b>33,32,750</b>	<b>100.00</b>	<b>33,32,750</b>	<b>100.00</b>																						



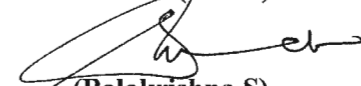
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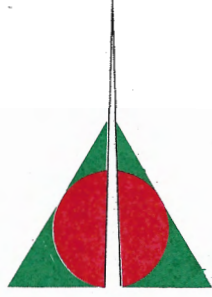


		<p>Face Value of Rs. 10/- (Rupees Ten Only) each fully paid up.</p> <p>** Rs. 33,32,750/- divided into 33,32,750 Equity Shares of the Face Value of Re. 1/- (Rupees One Only) each fully paid up.</p> <p><b>Pre and Post Shareholding Pattern of the Resulting Company:</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Pre-Shareholding</th> <th colspan="2">Post-Shareholding*</th> </tr> <tr> <th>No of Equity Shares</th> <th>%</th> <th>No of Equity Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Promoter &amp; Promoter Group</td> <td>12,000</td> <td>100.00</td> <td>18,47,953</td> <td>55.25</td> </tr> <tr> <td>Public</td> <td>0</td> <td>0.00</td> <td>14,96,797</td> <td>44.75</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>12,000</b></td> <td><b>100.00</b></td> <td><b>33,44,750</b></td> <td><b>100.00</b></td> </tr> </tbody> </table> <p>* Allotment of new shares by Resulting Company to the Shareholders of the Demerged Company in ratio of 1:1.</p>	Category	Pre-Shareholding		Post-Shareholding*		No of Equity Shares	%	No of Equity Shares	%	Promoter & Promoter Group	12,000	100.00	18,47,953	55.25	Public	0	0.00	14,96,797	44.75	<b>TOTAL</b>	<b>12,000</b>	<b>100.00</b>	<b>33,44,750</b>	<b>100.00</b>
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Public	0	0.00	14,96,797	44.75																						
<b>TOTAL</b>	<b>12,000</b>	<b>100.00</b>	<b>33,44,750</b>	<b>100.00</b>																						
05	in case of cash consideration amount or otherwise Share Exchange Ratio	1:1 (i.e., 1 (one) equity share of Rs. 9/- (Rupees Nine only) each of the Resulting Company credited as fully paid-up for every 1 (one) equity share of Re.1/- (Rupee One only) each held by such shareholder of the Demerged Company ("New Equity Shares").																								
06	whether listing would be sought for the resulting entity	The Resulting Company i.e., SLST Industries Limited shall be listed on BSE Limited ("Stock Exchange") pursuant to the Scheme of Arrangement subject to approval of the Stock Exchange																								

For Sri Lakshmi Saraswathi Textiles (ARNI) Limited

  
 (Balakrishna S)  
 Managing Director  
 DIN: 00084524  
 Date: 29<sup>th</sup> April, 2022





# Sri Lakshmi Saraswathi Textiles (Arni) Limited

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## Annexure-II

### BRIEF PROFILE OF MR.JITENDRA KUMAR PAL

Name	Jitendra Kumar Pal
Membership No. of ICSI	A15338
Qualifications	B. Com, B.L, Associate member of Institute of Company Secretaries of India
Professional Experience	More than 20 years of post qualification experience in corporate, secretarial and legal matters.
Date of Birth	08.07.1971



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