

**SRI LAKSHMI SARA SWATHI TEXTILES  
(ARNI) LIMITED**

**58 th**  
**Annual Report 2021 - 2022**

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

**ANNUAL REPORT 2021-22**



**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  
Director

Ms. SIVARANI J  
Director

SRI S.SRIDHARA RAO  
Director

Company Secretary  
SRI JITENDRA KUMAR PAL

### REGISTERED OFFICE

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

**Email ID of the grievance redressal division**  
cs@slstarni.com

**Website:**  
www.slstindia.com

### FACTORY ADDRESS

Door No.1755, 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: 044-28461989  
Email: investor@cameoindia.com

### BANKERS

Indian Overseas Bank  
Chennai House  
Esplanade  
Chennai - 600 108

State Bank of India,  
Leather & International Branch,  
First Floor,  
157, Anna Salai,  
Chennai - 600 002.

### AUDITORS :

#### STATUTORY AUDITORS

M/s.S B S B and Associates  
Chartered Accountants  
Old No.H43/1, New No.H13  
5<sup>th</sup> Street, Anna Nagar East  
Chennai – 600 102

#### SECRETARIAL AUDITORS

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

#### INTERNAL AUDITORS

G. Natesan and 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 58th Annual General Meeting of the Company will be held on Friday, 12th August 2022 at 02.30 P.M through Video Conferencing / Other Audio Visual Means (VC) 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 2022 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 2022 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 Ms. Sivarani J (holding DIN 02304269) who retires by rotation and being eligible, offers herself for reappointment.

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

"RESOLVED that Ms. Sivarani J (holding DIN 02304269) as Director, who retires by rotation and being eligible for reappointment, be elected as a Director of the Company".

#### SPECIAL BUSINESS

3. To appoint Sri. S. Sridhara Rao (holding din 06927991) as an Independent Director (Non-Executive Director) of the company

To consider and if thought fit to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act") read with Schedule IV to the Act, the Companies (Appointment and qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, Sri. S. Sridhara Rao (holding din 06927991) who was appointed as an Additional Director (in the capacity of a Non-Executive Independent Director) of the Company by the Board of Directors at its meeting held on February 1, 2022 pursuant to Section 161 of the Act and as recommended by the Nomination and Remuneration Committee and whose term of office expires at this Annual General Meeting (AGM) and in respect of whom the company has received a notice in writing from a member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Non-Executive Director of the Company who hold office for term of 5 (five) consecutive years commencing from February 1, 2022, whose period of office will not be liable to determination by retirement of directors by rotation.

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



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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4. To re-appoint Sri Balakrishna. S, (holding din 000084524), as Managing Director, for a period of 3 years w.e.f 01.04.2022 and to approve his remuneration

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

“RESOLVED THAT, pursuant to provisions of Sections 196, 197,203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V to the Companies Act 2013, Sri Balakrishna S, be is hereby re-appointed as Managing Director of the company for a period of 3 years from 01.04.2022 to 31.03.2025 and that he may be paid remuneration which is in accordance with Schedule V of Companies Act 2013 as detailed below from 01.04.2022 to 31.03.2025.

- a) Salary Rs.1,45,200/- per month from 01.04.2022 and an annual increment of 10% of salary from 01.04.2022 onwards on a cumulative basis.
- b) Allowance of 2/3rd of salary per month.  
This allowance is not to be taken into account for the purpose of calculation of employer's contribution to provident fund and gratuity payable.
- c) Bonus as applicable to other employees of the company.
- d) Perquisites
  - i. Contribution to provident fund to the extent not taxable under the Income Tax Act, 1961.
  - ii. Gratuity at the rate not exceeding half-a-months salary for each completed year of service.
  - iii. Medical Reimbursement - Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years.  
  
EXPLANATION: Family means Spouse, Dependent Children and Dependent Parents of the Director
- e) Provision of Car for use on Company's business, telephone at residence and mobile phones will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purpose shall be billed by the Company to the Individual appointee concerned.

5. To re-appoint Sri R Padmanaban, (holding din 00084579) as Joint Managing Director, for a period of 3 years w.e.f. 01.04.2022 and to approve his remuneration

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

“RESOLVED THAT, pursuant to provisions of Sections 196, 197,203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V to the Companies Act 2013, Sri R.Padmanaban, be and is hereby re-appointed as Joint Managing Director of the Company for a period of 3 years from 01.04.2022 to 31.03.2025 and that he may be paid remuneration which is in accordance with Schedule V of Companies Act 2013 as detailed below from 01.04.2022 to 31.03.2025.

- a) Salary Rs.98,010/- per month from 01.04.2022 and an annual increment of 10% of salary from 01.04.2022 onwards on a cumulative basis.
- b) Allowance of 2/3rd of salary per month.  
This allowance is not to be taken into account for the purpose of calculation of employer's contribution to provident fund and gratuity payable.
- c) Bonus as applicable to other employees of the company.
- d) Perquisites
  - i. Contribution to provident fund to the extent not taxable under the Income Tax Act, 1961
  - ii. Gratuity at the rate not exceeding half-a-months salary for each completed year of service.
  - iii. Medical Reimbursement - Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years.



## **Sri Lakshmi Saraswathi Textiles (Arni) Limited**

EXPLANATION: Family means Spouse, Dependent Children and Dependent Parents of the Director

- e) Provision of Car for use on Company's business, telephone at residence and mobile phones will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purpose shall be billed by the Company to the Individual appointee concerned.
6. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2021 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 6 of The Companies (Cost Records and Audit ) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. S V M & Associate, Sri N Sivashankaran, Cost Accountant, (Firm Registration No.000536) be and are hereby appointed as the Cost Auditor of the Company to conduct audit of cost records made and maintained by the Company for the financial year 2020-2021 at a remuneration of Rs.80,000/- (Rupees Eighty Thousand Only) and government tax/ duty if any on the fee and traveling and out of pocket expenses 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.”
7. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2022 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 6 of The Companies (Cost Records and Audit ) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. S V M & Associate, Sri N Sivashankaran, Cost Accountant, (Firm Registration No.000536) be and are hereby appointed as the Cost Auditor of the Company to conduct audit of cost records made and maintained by the Company for the financial year 2021-2022 at a remuneration of Rs.80,000/- (Rupees Eighty Thousand Only) and government tax/ duty if any on the fee and traveling and out of pocket expenses 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.”
8. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2023 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 6 of The Companies (Cost Records and Audit ) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. S V M & Associate, Sri N Sivashankaran, Cost Accountant, (Firm Registration No.000536) be and are hereby appointed as the Cost Auditor of the Company to conduct audit of cost records made and maintained by the Company for the financial year 2022-2023 at a remuneration of Rs.80,000/- (Rupees Eighty Thousand Only) and government tax/ duty if any on the fee and traveling and out of pocket expenses be and is hereby ratified and confirmed.”

For and on behalf of the Board

Place : Chennai  
Date : May 30, 2022

(BALAKRISHNA S)  
**Chairman & Managing Director**



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### 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. Pursuant to the General Circular numbers 20/2020, 1412020, 1712020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD11/CIR/PI2020179 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
3. 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. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 (“the Act”).
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC portal / e-voting portal.
6. The Register of Members and Share Transfer Books of the Company will remain closed from August 6, 2022 to August 12, 2022 (both days inclusive).
7. The ISIN No. allotted to the equity shares of your company for the purpose of de-materialization is **INE456D01010**
8. a. 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.  
  
b. 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.  
  
c. 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.





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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.

In compliance with the Circulars, the Annual Report 2021-22, the Notice of the 58<sup>th</sup> AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

### 10. SHAREHOLDER INSTRUCTIONS FOR E-VOTING AND ATTENDING THE AGM THROUGH VC/OAVM

- a) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- b) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- c) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- d) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- e) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- f) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.slstindia.com](http://www.slstindia.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).





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- g) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins at 9.00 AM on August 9, 2022 and ends at 5.00 PM on August 11, 2022. 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 5, 2022 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"><li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li><li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li><li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li><li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li></ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"><li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li></ol>



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

PAN	<p>For Physical shareholders and other than individual shareholders holding shares in Demat.</p> <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"><li>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.</li></ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Sri Lakshmi Saraswathi Textiles (Arni) Limited on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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- Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that, 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [slst@slstarni.com](mailto:slst@slstarni.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- a) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- b) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- c) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- d) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- e) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- f) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- g) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [slst@slstarni.com](mailto:slst@slstarni.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- h) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- i) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- j) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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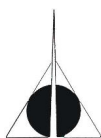
### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

- a) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [agm@cameoindia.com](mailto:agm@cameoindia.com) .
- b) For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- c) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on toll free no. 1800 22 55 33.

11. 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](mailto:helpdesk.evoting@cdslindia.com)
12. 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.
13. The Scrutinizer shall within a period not exceeding 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.
14. The Results shall be declared within 2 working days 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.slstindia.com](http://www.slstindia.com) and on the website of BSE within 2 working days of AGM of the Company.
15. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:  
- Not Applicable
16. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:  
- Not Applicable
17. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through thee-voting system during the AGM.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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18. Members may also note that the Notice of the 58th AGM and the Annual Report 2021-22 will also be available on the Company's website, [www.slstindia.com](http://www.slstindia.com) and website of BSE Limited [www.bseindia.com](http://www.bseindia.com).
19. 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.
20. 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.
21. Investor Education and Protection Fund (IEPF)

During the year under review, the Company has transferred the unclaimed and un-encashed dividends of Rs.1,35,691/- on 15/09/2021. Further, for the amount of Rs.1,35,691 corresponding shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. The details of the resultant benefits arising out of shares already transferred to the IEPF, year-wise amounts of unclaimed / un-encashed dividends lying in the unpaid dividend account up to the year, and the corresponding shares, which are liable to be transferred, are provided in the Shareholder information section of the Corporate governance report and are also available on our website, at [www.slstindia.com/IEPF](http://www.slstindia.com/IEPF).
22. Shares transferred to IEPF

During the year under review, the Company has transferred 1,21,615 shares on October 25, 2021, due to the dividends being unclaimed for seven consecutive years, in accordance with IEPF rules.
23. In accordance with Section 124(5) of the Companies Act, 2013, the Company has transferred the unclaimed / unpaid dividends lying with the Company for a period of over seven years, to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
24. In accordance with Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more have been transferred by the Company to IEPF. The shareholders / their legal heirs are entitled to claim the said shares and the dividend so transferred from the IEPF by making an online application. The procedure is available at [www.iepf.gov.in](http://www.iepf.gov.in).
25. Pursuant to the provisions of Section 124(6) of the Act, and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, shares in respect of which dividends have not been encashed for seven consecutive years or more are required to be transferred to IEPF. The Company has sent individual notice on 09th September 2021 to all the concerned shareholders intimating them particulars of equity shares due for transfer. These details are also available on the Company's website [www.slstindia.com](http://www.slstindia.com). Advertisement in newspapers in this respect has also been released in English language and regional language i.e. Trinity Mirror on





## Sri Lakshmi Saraswathi Textiles (Arni) Limited

16th September 2021. The shareholders will be able to claim these equity shares only from the IEPF authority as per the procedure prescribed under IEPF Rules, the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in).

26. The Equity Shares of the Company are listed in the following Exchange:

BSE Limited,  
Phiroze Jeejeebhoy Towers  
25<sup>th</sup> Floor, Dalal Street  
MUMBAI 400 023

The company has paid the listing fees for 2021-22 to BSE Limited.

27. At this Annual General Meeting, Ms. Sivarani J, retire by rotation and being eligible, offers herself for reappointment.

Ms.Sivarani J, is a Agronomist and holds Master degree in Environmental Management. She is Assistant General Manager(value added products) in EID parry( india limited, Chennai. She has developed business models, new products from sugar & distillery industry waste, patented and commercialized the same etc. She has expertise in fields of logistics and supply chain management of Agro Products, Biomass Fuel procurement, development of Standard Operating Procedures for product development as etc. She has a vast experience of over 25 years in different capacities

She has been with the Company since 2016.

Details of other Directorships / Committee memberships held by her – Nil

28. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

For and on behalf of the Board

Place : Chennai  
Date : May 30, 2022

(BALAKRISHNA S)  
**Chairman & Managing Director**



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

Sub 3: The Board of Directors, had appointed Sri. S. Sridhara Rao (DIN: 06927991) as an Additional Director, Non Executive Independent Director of the company w.e.f 01/02/2022. The Board of Directors had also appointed Mr. S. Sridhara Rao as Member of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board of Directors of the Company.

Sri S. Sridhara Rao, is a Commerce graduate, Chartered Accountant. The Directors are of the view that the appointment of Sri S. Sridhara Rao as a Director will be beneficial to the Company. The Board of Directors thus recommends the Resolution at Sub 3 of this Notice for your approval.

In terms of Section 161 (1) of the Companies Act, 2013, Sri S. Sridhara Rao holds Office as Additional Director / Independent Director upto the date of the forthcoming Annual General Meeting. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri S. Sridhara Rao being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director. The Company has received a Notice pursuant to Section 160 of the Companies Act, 2013 along with the amount of requisite deposit from a Member signifying his intention to propose the appointment of Sri S. Sridhara Rao, as a Director

Sri S. Sridhara Rao is a Director in SAVERA INDUSTRIES LIMITED.

Sri S. Sridhara Rao, has furnished a declaration pursuant to Section 149(6) of the Companies Act, 2013 that he meets the criteria of Independence and is hence eligible for appointment as on Independent Director. In the opinion of the Board, Sri S. Sridhara Rao, fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri S. Sridhara Rao, as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board of Directors is of the opinion that his vast knowledge and experience will be of great value to the Company and hence recommends the Resolution for your approval.

#### **Disclosure of Interest:**

Except Sri S. Sridhara Rao, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Sub 3. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

None of the Directors other than Sri S. Sridhara Rao is interested in the Resolution.

Sub 4 Sri Balakrishna S, Managing Director was appointed by the shareholders for a period of one year from April 1, 2021 to March 31, 2022 at the 57<sup>th</sup> Annual General Meeting held on November 29, 2021. Under his able guidance, the Company has made good progress. The Nomination and Remuneration Committee and the Board of Directors considers that his continued guidance and services are necessary to the Company in the coming year also. The Board of Directors, keeping in mind the services he has rendered to the Company, decided it fit to re-appoint him as Managing Director of the Company. The remuneration proposed is in accordance with the provisions of the Companies Act, 2013.

The proposed resolution is to obtain the approval of shareholders for the re-appointment of Sri Balakrishna S, as Managing Director of the Company for a period of 3 years from April 1, 2022 and



## **Sri Lakshmi Saraswathi Textiles (Arni) Limited**

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payment of Remuneration from April 1, 2022 which has already been approved by the Board at its meeting held on February 1, 2022 as recommended by the Nomination and Remuneration Committee at its meeting held on January 31, 2022.

Sri Balakrishna S, is interested in this resolution.

- Sub 5 Sri.R.Padmanaban, Joint Managing Director was appointed by the shareholders for a period of one year April 1, 2021 to March 31, 2022 at the 57<sup>th</sup> Annual General Meeting held on November 29, 2021. Under his able guidance, the Company has made good progress. The Nomination and Remuneration Committee and the Board of Directors considers that his continued guidance and services are necessary to the Company in the coming year also. The Board of Directors, keeping in mind the services he has rendered to the Company, decided it fit to re-appoint him as Joint Managing Director of the Company. The remuneration proposed is in accordance with the provisions of the Companies Act, 2013.

The proposed resolution is to obtain the approval of shareholders for the re-appointment of Sri R.Padmanaban, as Joint Managing Director of the Company for a period of 3 years from April 1, 2022 and payment of Remuneration from April 1, 2022 which has already been approved by the Board at its meeting held on February 1, 2022 as recommended by the Nomination and Remuneration Committee at its meeting held on January 31, 2022.

Sri R.Padmanaban, is interested in this resolution.

- Sub 6: 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 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2021.

On the recommendation of the Audit Committee at its meeting held on April 29, 2022, the Board had approved the appointment of M/s.S V M & Associate, Sri N Sivashankaran, Cost Auditor, (Firm Registration No.000536) as Cost Auditor of the Company for conducting the audit of the Cost Records of the Company for the year 2020-2021 at a remuneration of Rs.80,000/- (Rupees Eighty 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 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Subject 6 of the Notice for approval by the members.

- Sub 7: 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.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Subject 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2022.

On the recommendation of the Audit Committee at its meeting held on April 29, 2022, the Board had approved the appointment of M/s. S V M & Associate, Sri N Sivashankaran, Cost Auditor, (Firm Registration No.000536) as Cost Auditor of the Company for conducting the audit of the Cost Records of the Company for the year 2021-2022 at a remuneration of Rs.80,000/- (Rupees Eighty 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 7 of the Notice.

The Board recommends the Ordinary Resolution set out at Subject 7 of the Notice for approval by the members.

Sub 8: 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 8 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2023.

On the recommendation of the Audit Committee at its meeting held on May 30, 2022, the Board had approved the appointment of M/s. S V M & Associate, Sri N Sivashankaran, Cost Auditor, (Firm Registration No.000536) as Cost Auditor of the Company for conducting the audit of the Cost Records of the Company for the year 2022-2023 at a remuneration of Rs.80,000/- (Rupees Eighty 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 8 of the Notice.

The Board recommends the Ordinary Resolution set out at Subject 8 of the Notice for approval by the members.

By Order of the Board  
for **SRI LAKSHMI SARASWATHI  
TEXTILES (ARNI) LIMITED**

(BALAKRISHNA S)  
**Chairman & Managing Director**

Place : Chennai  
Date : May 30, 2022



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

Details of Directors seeking appointment/re-appointment at the 58th Annual General Meeting to be held on August 12, 2022

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	Sri. S. Sridhara Rao (DIN: 06927991)	Sri Balakrishna S (DIN – 00084524)	Sri R.Padmanaban (DIN – 00084579)
Age:	68	62	52
Date of Appointment	01-02-2022	01/09/1986	30/10/2000
Expertise in specific functional areas	Practicing Chartered Accountant having more than four decades of experience in the field of finance and taxation.	Managing Director & CEO More than 36 years experience in textile industries.	Joint Managing Director & CFO More than 21 years experience in textile industries.
Qualification(s)	Chartered Accountant	B.Com, M.B.A.	B.E.
Board of Directors of Membership of other listed companies as on March 31, 2022	1	Nil	Nil
Shareholding of directors in the listed entity, including shareholding as a beneficial owner.	Nil	784650	223900



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### FIFTY EIGHTH ANNUAL REPORT DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors present the Fifty Eighth Annual Report of the Company alongwith the audited statement of accounts for the year ended 31<sup>st</sup> March 2022.

#### 1. FINANCIAL RESULTS

S.NO.	Description	For the year ending 31.03.2022 (Rs.in Lakhs)	For the year ending 31.03.2021 (Rs.in Lakhs)
1.	Total Income	15025.72	8611.03
2.	Total Expenses	14589.65	8744.72
3.	Profit / (Loss) before exceptional items and tax (III - IV )	436.07	-133.69
4.	Exceptional Items	—	—
5.	Profit / (Loss) before tax	436.07	-133.69
6.	Tax expense	—	—
7.	Profit / (Loss) for the period	436.07	-133.69
8.	Earning per equity share		
	(i) Basic Rs.	13.08	-4.01
	(ii) Diluted Rs.	13.08	-4.01

#### Details of Loss Carried Forward for the year ending 31.03.2022

Details	Rs. in lakhs	Rs. in lakhs
Profit from business operation before Financial Expenses and Depreciation		861.41
Less:		
1) Financial Expenses	275.96	
2) Depreciation	149.38	425.34
Current year Profit		436.07
Loss carried forward from previous years		3549.18
Loss carried forward		3113.11

#### 2. PRODUCTION AND INCOME FROM OPERATIONS:

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

Details	2021-22	2020-21
Production in Kgs in Lakhs	60.99	42.72
Sales in Kgs in Lakhs	61.26	43.45
Revenue from operation Rs.in Lakhs	15013.70	8601.65



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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### 3. DIVIDEND

Due to accumulated loss, your Directors do not recommend Dividend.

### 4. SCHEME OF ARRANGEMENT

The Board of Directors of Sri Lakshmi Saraswathi Textiles (Arni) Limited at their meeting held on 29<sup>th</sup> April 2022 approved the Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (Arni) Limited (**Demerged Company**) and SLST Industries Limited (**Resulting Company**) and their Respective members pursuant to the provisions of Section 232 read with Section 230 and all other applicable provisions of the Companies Act, 2013.

Pursuant to the approval of the Scheme of arrangement by the Board Directors, the Company has submitted In-Principle approval to BSE on 13<sup>th</sup> May 2022. The Company is awaiting In-principle approval from BSE. The company will submit necessary application for approval of Scheme of Arrangement with the NCLT Chennai upon the receipt of principle approval from BSE.

This Scheme of Arrangement (Demerger) is presented pursuant to the provisions of Section 232 read with Section 230 and all other applicable provisions of the Companies Act, 2013, and the relevant rules there under between Sri Lakshmi Saraswathi Textiles (Arni) Limited (**Demerged Company**) and SLST Industries Limited (**Resulting Company**) and their Respective members.

1. The proposed Scheme provides for demerger of **B Mill**, 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 (Demerged Undertaking) of the Company (Demerged Company) and inter-alia transfer and vest in the Resulting Company pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules and regulations made thereunder including any statutory modifications, re-enactments or amendments made thereto from time to time (the "**Scheme**") in accordance with SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021 as amended from time to time ("**SEBI Circular**"). The Scheme further provides that **A Mill**, a Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (Remaining Undertaking) of the Company will remain with the Company (Demerged Company).

#### The Salient features of the Scheme:

The Scheme of arrangement, inter- alia, provides the following:

- i. The Demerged Company has the following Undertakings:
  - **B Mill**: 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 (**DEMERGED UNDERTAKING**) and
  - **A Mill**: A Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (**REMAINING UNDERTAKING**).
- ii. The Scheme inter-alia provides for the transfer of B Mill of the Demerged Company and vesting of the same in the Resulting Company.
- iii. The Appointed Date of the Scheme is 1<sup>st</sup> April, 2021 and Effective date is the later of the dates on which the certified copies of the Order(s) of the Court or Tribunal sanctioning this Scheme of Arrangement (Demerger) are filed with the Registrar of Companies, Tamil Nadu Chennai by the Demerged Company and the Resulting Company.





## Sri Lakshmi Saraswathi Textiles (Arni) Limited

iv. **Split of Issued and Paid-up Equity Share Capital of the Demerged Company:**

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:

- **Demerged Company:** 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.
- **Resulting Company:** 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.

### 5. TRADE PROSPECT AND OUTLOOK

The performance of the company during the year under review was reasonably good. Though there were increase both in the sale value of yarn and cost of raw material, the increase in sale value of yarn was not proportionate to the increase in cost of raw material. The power availability from State Grid continues to be low. To maintain capacity utilization we were compelled to buy power from third parties at high cost.

A very productive and a robust year inspite of working limitations in 2021 due to covid restrictions , We had lost almost of 25 days in production sometime during middle of 2021 .

The company worked systematically despite challenges on the Raw Material which had seen 150 % increase in Raw cotton cost —which had gone up from Rs.122 / kg to currently Rs.310 per kg , with a similar increase on the PSF which went by almost 50 % and we still managed to run the company efficiently with no stoppages .

### 6. IMPACT OF COVID-19

Due to lock down imposed to control the spread of COVID-19 the Mill could not function for 25 days, which does not have any significant impact in the company's overall performance during the period under the review.

### 7. CURRENT YEAR

The demand for the yarn and price realization at the beginning of the current year are good. Your Directors are doing their best to improve the performance to a reasonable level.

### 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms.J Sivarani, Director on the Board retires by rotation and is eligible for reappointment.

#### DIRECTORS APPOINTED AND RESIGNED DURING THE FINANCIAL YEAR 2021-2022

Mr. R.Sambasivan, Independent Director (Resigned w.e.f 02<sup>nd</sup> November 2021) and Mr.S.Sridhara Rao was appointed as an Independent Director of the Company with effect from 01<sup>st</sup> February, 2022.

#### KEY MANAGERIAL PERSONNEL (KMP) APPOINTED AND RESIGNED DURING THE FINANCIAL YEAR 2021-22

During the financial year, Mrs. Geetha Sundaraghavan, Company Secretary and Compliance Officer retired from the services of the Company w.e.f 30<sup>th</sup> September 2021 and Mr. Jitendra Kumar Pal has been appointed as Company Secretary cum Compliance Officer w.e.f. 29<sup>th</sup> April 2022.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### 9. ANNUAL RETURN

The Annual Return of the Company as on March 31, 2022 is available on the Company's website and can be accessed at <https://slstindia.com/annualreturnason31-03-2022.pdf>

### 10. DETAILS OF MEETINGS OF BOARD AND COMMITTEES OF BOARD HELD DURING 2021-22.

a) There were Six Board meetings held during the year 2021-22. 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
19.08.2021	5	5
09.10.2021	5	5
11.10.2021	5	5
10.11.2021	4	4
16.12.2021	4	4
01.02.2022	4	4

b) There were five Audit Committee meetings held during the year 2021-22. 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
06.08.2021	3	2
08.10.2021	3	3
09.10.2021	3	3
09.11.2021	2	2
31.01.2022	2	2

c) There was one Independent Directors' meetings held during the year 2021-22. The details and attendance record of Directors at the Independent meetings are as under.

Date of Meeting	Independent Directors meetings Strength (on the date of meeting)	No.of Directors Present
08.10.2021	2	2

d) There was one Nomination and Remuneration Committee Meeting held during the year 2021-22. The details and attendance record of Directors at the Nomination and Remuneration Committee meeting are as under.

Date of Meeting	Committee's strength (on the date of meeting)	No.of Directors Present
31.01.2022	2	2



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

e) There was one Stakeholders Relationship Committee Meeting held during the year 2021-22. 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
08.10.2021	4	4

f) There was no meeting of Corporate Social Responsibility Committee during the year 2021-22

g) Details of Board and Committee Meetings' Attendance Record of Individual Directors:

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 2021-22		1	6	5	1	1	-	1
S. No	Name of the Director	Whether attended	— Number of Meetings Attended —					
1.	Sri Balakrishna S	Yes	6	N.A.	N.A.	1	--	N.A.
2.	Sri R.Padmanaban	Yes	6	N.A.	N.A.	1	--	N.A.
3.	Sri J M Grover	Yes	6	4	1	1	--	1
4.	Sri R Sambasivan	No	3	3	-	1	N.A.	1
5.	Ms.Sivarani J	Yes	6	5	1	N.A.	N.A.	N.A.

### 11. DIRECTORS' RESPONSIBILITY STATEMENT

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

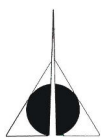
- In the preparation of Annual Accounts for the year ended 31st March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates 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 2022, and of the profit/ loss of the company for that period.
- 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.
- The Directors had prepared the annual accounts on a going concern basis.
- 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.
- 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.

### 12. INDEPENDENT DIRECTORS

a) The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/ she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Terms and conditions of appointment of Independent Directors can be viewed at the company

Website: <https://slstindia.com>.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### 13. 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 <https://slstindia.com/SLSTNominationAndRemunerationPolicy.pdf>

### 14. 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.

### 15. 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. (Rs.in Lakhs)

Related Parties	Name of Director to whom related	Nature of relationship with Key Management persons	Salary, Allowance and Bonus	PF	Medical Benefit	Total
Mr.R.Thirumalai	R.Padmanaban	Brother	15.23	1.03	0	16.26
Mr.R.Rajagopal	R.Padmanaban	Brother	6.23	0.82	0	7.05
Mr.Srish Jayender Balakrishna	Balakrishna S	Son	6.20	0.52	0	6.72

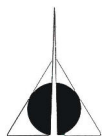
ii) Borrowing from Director

A.	S.No.	Name of the Director	Year	Amount Borrowed Rs.in Lakhs
	1.	Sri R.Padmanaban, Joint Managing Director	2021-22	822.20

B. Amount outstanding as on 31<sup>st</sup> March 2022 Rs. 792.20 Lakhs

C. Interest Rs. 86.45 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

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### 16. 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.

### 17. 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**.

### 18. 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 <https://slstindia.com/Policy/risk-management-policy%20SD.pdf>

### 19. CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee 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: <https://slstindia.com/Corporate%20Social%20Responsibility%20Committee%20Policy.pdf>

As the company has incurred loss in the last 2 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**.

### 20. EVALUATION OF BOARD

BOARD EVALUATION Pursuant to the provisions of the Companies Act, 2013, and Regulation 17 of the SEBI( LODR) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The board's performance for the current year was assessed on the basis of participation of directors, quality of information provided, quality of discussion and contribution etc. The overall performance of the Board and Committee's of the Board was found satisfactory. The overall performance of Chairman, Executive Directors and the Nonexecutive Directors of the Company is satisfactory. The review of performance was based on the criteria of performance, knowledge, analysis, quality of decision making etc.

### 21. 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**.

### 22. DISCLOSURE ON AUDIT COMMITTEE

The composition of the Audit Committee is as below:

Member & Chairman	Sri J M Grover
Member	Sri S.Sridhara Rao
Member	Ms.Sivarani J

All the members have wide exposure in the relevant areas.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### 23. 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 <https://slstindia.com/VigilMechanism.pdf>

### 24. SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the year 2021-22 is provided in **ANNEXURE - 6**.

S.No.	QUALIFICATION	MANAGEMENT'S EXPLANATION
1.	The Board of Directors of the Company is not comprised of requisite number of Independent Directors for the period 02.11.2021 to 31.01.2022	The Company has taken adequate steps to ensure due compliance
2.	The composition of the Audit Committee is not comprised of requisite number of Directors for the period 02.11.2021 to 31.01.2022 as prescribed under Section 177 of the Companies Act, 2013.	The Company has taken adequate steps to ensure due compliance.
3.	The composition of the Nomination and Remuneration Committee is not comprised of requisite number of Directors for the period 02.11.2021 to 31.01.2022 as prescribed under Section 178 of the Companies Act, 2013.	The Company has taken adequate steps to ensure due compliance.
4.	The Company has belatedly submitted the Financial Results for the quarter/year ended 31.03.2021 and for the first quarter ended 30.06.2021 with the Stock Exchange as prescribed under Regulation 33 of the Securities Exchange Board of India, (Listing Obligation and Disclosure Requirements), 2015	Due to COVID-19, restriction the company could not able to file the financial results within stipulated time period as mentioned in SEBI (LODR 2015) for the 31 <sup>st</sup> March 2021 and first quarter ended 30 <sup>th</sup> June 2021. The Company has taken adequate steps to ensure due compliance.
5.	The Company did not have a Company Secretary cum Compliance Officer as required u/s 203 of the Companies Act, 2013, and as per Regulation 6 of SEBI (LODR) Regulations, 2015 for the period 01.10.2021 to 31.03.2022.	The earlier Company Secretary Mrs.Geetha Sundraraghavan retired from service of the Company w.e.f 30 <sup>th</sup> September 2021. The Company was in the process of appointing a new Company Secretary, however the company could not able to appoint a suitable candidate for the post of Company Secretary. The Company as appointed a new Company Secretary w.e.f 29 <sup>th</sup> April 2022.



## **Sri Lakshmi Saraswathi Textiles (Arni) Limited**

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### **25. 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**.

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

None of the employees was in receipt of remuneration in excess of the prescribed limits, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence there is no report under this category.

### **27. 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 2021-22.

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

### **28. FINANCE**

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

### **29. 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.

### **30. 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,

Due to COVID restriction the Company was not able to file Cost Audit Report for the 2020-21. The Company is taking necessary steps to file Cost Audit report for the year 2020-21 and 2021-22 as soon as possible.

The Company has appointed M/s.S V M & Associates, Cost Accountants, as Cost Auditor of the Company for the financial year 2020-21, 2021-22 & 2022-23.





## Sri Lakshmi Saraswathi Textiles (Arni) Limited

The enabling resolution for appointment of M/s.S V M & Associates, Cost Accountants, as Cost Auditor of the Company has been placed in the AGM Notice.

### 31. AUDITORS AND AUDITORS REPORT.

M/s.S B S B and Associates, Chartered Accountants were appointed as Statutory Auditors of the Company to hold office for a term of five years from the conclusion of this 56th Annual General Meeting till the conclusion of the 61st Annual General Meeting.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does contain some qualification, reservation, remark or disclaimer for which reply has been given in the Directors Report.

#### Auditors' Report:

The Report of Auditors and Notes forming part of the Accounts are attached along with the Annual Report.

#### Comments on Statutory Auditor's Report:

#### Reply to the qualifications made in Auditor's report

S.No.	QUALIFICATION	REPLY
1	In the absence of external confirmation of balance, in a few cases of advances to suppliers, we are unable to comment on the quality of the specified assets.	The management assures that all the money should be collected partially by First quarter of June 2022. The remaining balance before Second quarter.
2	A sum of Rs 7,85,000 incurred under staff welfare expenses.	The management have found an alternate way to record expenses for workers welfare to the agent directly.
3	Rs 1,50,000 incurred under selling expenses have not been supported by proper documents.	Direct expenses incurred for quality complaints.

#### STATEMENT OF IMPACT OF QUALIFIED OPINION OF STATUTORY AUDITOR.:

The Auditors qualified opinion, Management's explanations thereon and Statement of Impact of Audit Qualifications are given in **ANNEXURE – 1**.

### 33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is part of Directors Report. **ANNEXURE–8**

### 34. 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.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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### 35. 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.

### 36. DECLARATION BY CEO AFFIRMING COMPLIANCE WITH CODE OF CONDUCT

Declaration from CEO has been given **ANNEXURE – 9**

### 37. COMPLIANCE CERTIFICATE REGARDING CORPORATE GOVERNANCE.

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

### 38. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

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

### 39. 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.

### 40. 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.

### 41. RELATED PARTY TRANSACTION POLICY.

The Board of Directors framed and adopted a Related Party Transaction Policy at its meeting held on October 9, 2021 and the Related Party Transaction Policy can be viewed at the Company website [www.slstindia.com](http://www.slstindia.com)

### 42. DIRECTORS' REPORT PLACED IN WEBSITE.

This Directors' report is placed in company's website and the same can be viewed at [www.slstindia.com](http://www.slstindia.com)

### 43. ACKNOWLEDGEMENT AND APPRECIATION

Your Directors would like to express their gratitude for the co-operation and assistance extended to the Company by its Bankers, Customers, Suppliers, Contractors, Government and Local Authorities, etc. The Directors also wish to thank all its Shareholders for their unstinted support. The Directors would like to sincerely thank and place on record their appreciation of the consistent and dedicated services of the employees at all levels who have immensely contributed to the performance of the Company during the period under review.

By Order of the Board  
for **SRI LAKSHMI SARASWATHI  
TEXTILES (ARNI) LIMITED**

(BALAKRISHNA S)  
**Chairman & Managing Director**

Place : Chennai  
Date : May 30, 2022



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

ANNEXURE – 1

### EXPLANATION TO QUALIFIED OPINION OF STATUTORY AUDITOR/ STATEMENT OF IMPACT OF QUALIFIED OPINION OF STATUTORY AUDITOR.

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022</b> [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	S.No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs.in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs.in Lakhs)
	1.	Turnover / Total income	15025.72	(Since there is no impact of Audit Qualification, there is no adjustment)
	2.	Total Expenditure	14589.65	
	3.	Net Profit/(Loss)	436.07	
	4.	Earnings Per Share	13.08	
	5.	Total Assets	3921.65	
	6.	Total Liabilities	4697.49	
	7.	Net Worth	(-) 775.84	
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	

II. Audit Qualification (each audit qualification separately):

**a. Details of Audit Qualification:**

The Company's net worth has been completely eroded. The accumulated losses in the reporting year amounts to Rs 3,113.11 Lakhs (Previous Year Rs. 3,549.18 Lakhs). The turnover during the period ended 31<sup>st</sup> March 2022, is Rs 15,013.70 Lakhs (Previous Year Rs. 8,601.65 Lakhs) as per the books of accounts maintained.

In the absence of external confirmation of balance, in a few cases of advances to suppliers, we are unable to comment on the quality of the specified assets.

A sum of Rs 7,85,000 incurred under staff welfare expenses and Rs 1,50,000 incurred under selling expenses have not been supported by proper documents.

b. **Type of Audit Qualification : Qualified Opinion** / Disclaimer of Opinion/ Adverse Opinion

c. **Frequency of qualification: Whether Appeared first time/ Repetitive** / since how long continuing  
**Since financial year 2020-2021.**

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

- 1) Auditor has not quantified the impact of qualified opinion.
- 2) The management's view on the two qualified opinions is as below:

**Quote:**

(i) Qualified opinion of Statutory Auditor:

The Company's net worth has been completely eroded. The accumulated losses in the reporting year amounts to Rs 3,113.11 Lakhs (Previous Year Rs. 3,549.18 Lakhs). The turnover during the period ended 31<sup>st</sup> March 2022, is Rs 15,013.70 Lakhs (Previous Year Rs. 8,601.65 Lakhs) as per the books of accounts maintained.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### **Unquote:**

#### Management's View:

For the above referred observation of the Auditors, the company provides the following clarifications:

1. The company has incurred profit during the current year Rs.436.07 Lakhs and in previous years Rs.(-)133.70 Lakhs, As a result the accumulated loss has been reduced by Rs.436.07 lakhs during the current year. It continues its business operation to the optimum level. The company has started making profit from the first quarter of 2021-22 and hope it will continue to make profit.

### **Quote:**

#### (ii) Qualified opinion of Auditor:

In the absence of external confirmation of balance, in a few cases of advances to suppliers, we are unable to comment on the quality of the specified assets.

### **Unquote:**

#### Management View:

The management assures that all the money should be collected partially by First quarter of June 2022. The remaining balance before Second quarter..

### **Quote:**

#### (iii) Qualified opinion of Auditor:

A sum of Rs 7,85,000 incurred under staff welfare expenses and Rs 1,50,000 incurred under selling expenses have not been supported by proper documents.

### **Unquote:**

#### Management View:

The management have found an alternate way to record expenses for workers welfare to the agent directly.

Direct expenses incurred for quality complaints.

### **e. For Audit Qualification(s) where the impact is not quantified by the auditor:**

- (i) **Management's estimation on the impact of audit qualification:** Management is of the view that both the qualified opinions (i) and (ii) of the above have no impact and hence not quantified.
- (ii) **If management is unable to estimate the impact, reasons for the same:**  
\_\_\_\_\_ Not Applicable \_\_\_\_\_
- (iii) **Auditors' Comments on (i) or (ii) above:** Auditors have no comments

### III. **Signatories:**

- **CEO/Managing Director** -signed-
- **CFO** -signed-
- **Audit Committee Chairman** -signed-
- **Statutory Auditor** -signed-

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

Place: Chennai  
Date : May 30, 2022

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



## 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 arms 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

i) (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
Mr.R.Thirumalai	R.Padmanaban	Brother	16.26	30.07.2001/ 27.03.2018
Mr.R.Rajagopal	R.Padmanaban	Brother	7.05	29.05.2014/ 27.03.2018
Mr.Srish Jayender Balakrishna	Balakrishna S	Son	6.72	29.05.2014/ 27.03.2018

\* Dates of appointment and latest revision

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

(c) Duration of the contracts / arrangements / transactions : 2021-22

(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
Sri R.Padmanaban	R.Padmanaban	Director	822.20 (maximum amount) 792.20 (Balance as on 31.03.2022)	13.02.2018/ 27.03.2018/ 13.02.2019/ 12.11.2019/ 13.02.2020 15.09.2020 & 11.10.2021

(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.86.45 Lakhs.

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

Place: Chennai  
Date : May 30, 2022

(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	
<b>(A) Conservation of energy-</b> (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>(B) Technology absorption-</b>	Nil	
<b>(C) Foreign exchange earnings and Outgo</b>	2021-22	
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.	<u>Earnings/ Inflow</u>	Rs.in lakhs
	Through Export	122.73
	<u>Expenses / Outgo</u>	
	Raw Material Import	
	Travel Expenses } Total Outgo	Nil

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

Place : Chennai  
Date : May 30, 2022

(BALAKRISHNA S)  
**Chairman & Managing Director**

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.272.98 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 30, 2022

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.

(i) The financial summary or highlights	The same has already been discussed in the earlier portion of this report.
(ii) The change in the nature of business, if any	Nil
(iii) The details of directors or key managerial personnel who were appointed or have resigned during the year	During the financial year, Mrs. Geetha Sundaraghavan, Company Secretary and Compliance Officer retired from the services of the Company w.e.f 30 <sup>th</sup> September 2021 and Mr. Jitendra Kumar Pal has been appointed as Company Secretary cum Compliance Officer w.e.f. 29 <sup>th</sup> April 2022.
(iii a) a statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year	Mr. R.Sambasivan, Independent Director (Resigned w.e.f 02 <sup>nd</sup> November 2021) and Mr.S.Sridhara Rao was appointed as an Independent Director of the Company with effect from 01 <sup>st</sup> February, 2022.
(iv) The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year	Nil
(v) The details relating to deposits, covered under Chapter V of the Act	The company does not accept deposit from public.
(vi) The details of deposits which are not in compliance with the requirements of Chapter V of the Act	No such deposit
(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	No such transaction
(viii) the details in respect of adequacy of internal financial controls with reference to the Financial Statements	Adequate internal financial controls are in vogue.
(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	Yes. Complied with
(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]	Yes. Complied with

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

(BALAKRISHNA S)  
**Chairman & Managing Director**

Place: Chennai  
Date : May 30, 2022



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### SECRETARIAL AUDIT REPORT

ANNEXURE – 6

#### FOR THE FINANCIAL YEAR ENDED 31.03.2022

[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 – 600034

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 31.03.2022, 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 31.03.2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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, 2018;
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited (BSE) as per SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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.

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except for the following:

- (a) *The composition of Board of Directors of the Company did not comprise of requisite number of Independent Directors, as prescribed under Section 149 of the Companies Act, 2013, during the period from 02.11.2021 to 31.01.2022.*
- (b) *The composition of the Audit Committee did not comprise of requisite number of Directors, as prescribed under Section 177 of the Companies Act, 2013, during the period from 02.11.2021 to 31.01.2022*
- (c) *The composition of the Nomination and Remuneration Committee did not comprise of requisite number of Directors, as prescribed under Section 178 of the Companies Act, 2013, during the period from 02.11.2021 to 31.01.2022.*
- (d) *The Company has belatedly submitted the Financial Results for the quarter/year ended 31.03.2021 and for the first quarter ended 30.06.2021 with the Stock Exchange as prescribed under Regulation 33 of the Securities Exchange Board of India, (Listing Obligation and Disclosure Requirements), 2015 and paid the penalty as imposed by the Stock Exchange.*
- (e) *The Company did not have a Company Secretary cum Compliance Officer as required u/s 203 of the Companies Act, 2013, and Regulation 6 of SEBI (LODR) Regulations, 2015 during the period from 01.10.2021 to 31.03.2022.*

### **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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



## **Sri Lakshmi Saraswathi Textiles (Arni) Limited**

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- (b) adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

We further report that during the audit period, there were no instances of:

- (i) Public / Right / preferential issue of Shares / Sweat Equity Shares.
- (ii) Redemption / Buy-back of Securities.
- (iii) Foreign technical collaborations.
- (iv) Merger / Amalgamation / Reconstruction.

Place: Chennai  
Date: May 30, 2022

**For A.K.JAIN & ASSOCIATES**  
Company Secretaries

**BALU SRIDHAR**  
**Partner**  
**M.No. F5869**  
**C.P. No. 3550**  
**UDIN: F005869D000429259**



## **Sri Lakshmi Saraswathi Textiles (Arni) Limited**

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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.

### **Annexure A**

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

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**

Place: Chennai  
Date: May 30, 2022

**BALU SRIDHAR**  
**Partner**  
**M.No. F5869**  
**C.P. No. 3550**  
**UDIN: F005869D000429259**



## 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.	Disclose Requirements	Disclosure	
(i) & (ii)	The ratio of the remuneration of each Director to the median remuneration of the Company for 2021-22, the percentage increase in remuneration of each Director, Chief Finance Officer, Chief Executive Officer and Company Secretary in 2021-22.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for 2021-22 (Rs.in Lakhs)
		Balakrishna S, Managing Director and Chief Executive Officer	31.13
		R.Padmanaban Joint Managing Director and Chief Financial Officer	20.86
		Geetha Sundararaghavan Company Secretary	10.87
(iii)	The percentage increase in the median remuneration of employees in the financial year	There was a increase 51.12% in the median remuneration.	
(iv)	The number of permanent employees on the rolls of company;	1120	
(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 increased of 19% in the average remuneration of managerial personnel and the average remuneration of employees other than the managerial personnel was increased by 34%.	
(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

Chennai  
Date : May 30, 2022

(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 industrial conditions are now favourable spinning sector and performance of the company is expected to improve.

#### 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 1120 employees of all ranks on its rolls.





## **Sri Lakshmi Saraswathi Textiles (Arni) Limited**

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**ANNEXURE – 9**

### **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.

Place: Chennai  
Date: May 30, 2022

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

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



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED  
(CIN: L17111TN1964PLC005183)**

### **Report on the audit of Standalone Ind AS Financial Statements**

#### **Qualified 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 March 31 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date and Notes to the Financial Statements, including a summary of the Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of matter given in the basis for qualified opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give the true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31<sup>st</sup> March 2022, and its profit, total comprehensive income, its cash flows, and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

The Company's net worth has been completely eroded. The accumulated losses in the reporting year amounts to Rs 3,113.11 Lakhs (Previous Year Rs. 3,549.18 Lakhs). The turnover during the period ended 31<sup>st</sup> March 2022, is Rs 15,013.70 Lakhs (Previous Year Rs. 8,601.65 Lakhs) as per the books of accounts maintained.

In the absence of external confirmation of balance, in a few cases of advances to suppliers, we are unable to comment on the quality of the specified assets.

A sum of Rs 7,85,000 incurred under staff welfare expenses and Rs 1,50,000 incurred under selling expenses have not been supported by proper documents.

#### **Emphasis of Matter**

We draw attention to Note: 37 of the financial statements, which describes the effects of the COVID-19 pandemic on the Company's operations and compliances, which does not have any significant impact on the company's overall performance during the period under the review.

It is not appropriate to estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company for future periods.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

Key Audit Matters	Response to Key Audit Matters & Conclusion
We have observed that advances to the extent of Rs 34,15,936 have been given, for the purchase of machinery which are outstanding for more than one year.	The Company will receive the machinery in the financial year 2022-23.
We have observed that the company has debtors to the extent of Rs. 17,42,858 which are outstanding for more than one year.	The Company is following up with the parties concerned and is confident of recovering the amount.

### Information Other Than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Changes in Equity and Cash Flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



## **Sri Lakshmi Saraswathi Textiles (Arni) Limited**

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) evaluating the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in Internal Control that we identify during our audit.



## **Sri Lakshmi Saraswathi Textiles (Arni) Limited**

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d. In our opinion, the aforesaid standalone Ind AS financial statements complies with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. Based on the written representations received from the Directors as on 31st March 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.
  - h. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - i. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the company.
2. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**for M/s.S B S B and Associates**  
**Firm No.012192S**  
**(D.SHARAT KUMAR)**  
**Member Ship .No.024568**  
**Partner**  
**CHARTERED ACCOUNTANTS**  
**UDIN: 22024568AJVRHD1074**

Place: Chennai  
Date : May 30, 2022



## **Sri Lakshmi Saraswathi Textiles (Arni) Limited**

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### **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF SRI LAKSHMI SARASWATI 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 SARASWATI TEXTILES (ARNI) LIMITED (“the Company”) as of March 31 2022, 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 the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by ICAI. 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 were 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 Auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Controls System Over Financial Reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s Internal Financial Control over Financial Reporting includes those policies and procedures that:

- i. 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**

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- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and
- iii. Provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial Reporting to future periods are subject to the risk that the 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, 2022, 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.

Place: Chennai  
Date : May 30, 2022

**for M/s.S B S B and Associates**  
**Firm No.012192S**  
**(D.SHARAT KUMAR )**  
**Member Ship .No.024568**  
**Partner**  
**CHARTERED ACCOUNTANTS**  
UDIN: 22024568AJVRHD1074



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### **ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ OF EVEN DATE ON THE STANDALONE INDAS FINANCIAL STATEMENTS OF SRI LAKSHMI SARASWATI TEXTILES (ARNI) LIMITED**

The Annexure referred to in Paragraph 2 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date:

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of the audit, we state that:

1. In respect of the Company’s property, Plant and Equipment and Intangible Assets:
    - a. i. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
    - ii. The Company has maintained proper records showing full particulars of intangible assets.
  - b. These Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed during such verification.
  - c. Based on our examination of the property tax receipts, registered sale deed/ transfer deed/ conveyance deed and confirmation from the bank for the title deed held with them provided to us, we report that the title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the financial statements include under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - d. The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
  - e. No proceedings have been initiated during the year or are pending against the Company as at March 31 2022, for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. The company has a physical verification program so to cover all inventories once a year, which in our opinion is reasonable having regard to the size of the company and the nature of its inventories. Pursuant to the program, the inventories were physically verified by the management during the year, and the coverage and procedure of such verification by the management are appropriate. Discrepancies of 10% or more were not noticed.
    - a. The Company has not been sanctioned any working capital limits in excess of Rs. 5 crores, in aggregate, during the year from banks on the basis of security of current assets.
3.
    - a. During the year the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, LLPs, or any other party and hence, reporting under Clause 3(iii)(a) and 3(iii)(b) are not applicable
    - b. The company has not granted any loans. Hence, reporting under clause 3(iii)(c) of the Order is not applicable.
    - c. The company has not granted any loan during the reporting period. Hence, reporting under clause 3(iii)(d) of the Order is not applicable.
    - d. The company has not granted any loans or renewed or extended or fresh loans granted to settle the overdue existing loans given to the same parties. Hence, reporting under clause 3(iii)(e) of the Order is not applicable.
    - e. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
4. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of investments made by the company. The company has not provided any guarantee or security to any company covered under Section 185.





## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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5. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
6. The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed and such accounts and records have been made and maintained.
7. In respect of statutory dues,
  - a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9.
  - a. The Company has borrowings from Indian Overseas Bank, outstanding as on 31<sup>st</sup> March 2022. The company has not defaulted on its repayment schedule during the year.
  - b. The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
  - c. The Company as regards the loans taken have used the funds for the object for which they have been obtained as per the information and explanations given to us.
  - d. On an overall examination of the financial statements of the Company, funds have not been raised on a short-term basis. Hence, reporting under clause 3(ix)(d) is not applicable.
  - e. On an overall examination of the financial statements of the Company, the Company has no subsidiaries. Hence, reporting under clause 3(ix)(e) is not applicable.
  - f. The Company has not raised any loans during the year by pledging securities held in the name of subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
10.
  - a. The Company has not raised money by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
11.
  - a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
  - c. The company has not received any whistle-blower complaints during the year (and up to the date of this report) while determining the nature, timing and extent of our audit procedure.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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14. a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and to date.
15. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, and hence the provision of section 192 of the Companies Act, 2013 is not applicable to the Company.
16. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi)(a), (b), and (c) of the Order is not applicable.  
b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payments of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. a. The Company is not required to transfer funds to projects specified in Schedule VII as Section 135 of the Companies Act, 2013 is not applicable. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.  
b. There are no ongoing projects toward Corporate Social Responsibility (CSR). Hence, reporting under clause 3(xx)(b) of the Order is not applicable.
21. The Company has no subsidiary and hence, not required to present a Consolidated Financial Statement. Accordingly, reporting under clause 3(xxi) is not applicable.

**B S W a S I Associates**  
Firm No.012192S  
(D.SHARAT KUMAR )  
Member Ship .No.024568  
Partner  
**CHARTERED ACCOUNTANTS**  
UDIN: 22024568AJVRHD1074

Place: Chennai  
Date : May 30, 2022



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### BALANCE SHEET AS AT 31 ST MARCH 2022

Amount Rs. in lakhs

ASSETS	Notes	As at 31st Mar 2022	As at 31st Mar 2021
<b>1. Non-Current Assets :</b>			
(a) Property, Plant and Equipment	6	1245.86	1185.85
(b) Capital Work In Progress	6	176.73	8.61
(c) Other Intangible assets	6	0.74	0.74
(d) Financial Assets :			
i. Investments	7	41.97	41.78
(e) Other Non- Current Assets	8	127.35	127.35
<b>Total Non -Current Assets</b>		<b>1592.65</b>	<b>1364.33</b>
<b>2. Current Assets :</b>			
(a) Inventories	9	1479.81	944.20
(b) Financial Assets :			
i. Trade Receivables	10	217.80	174.10
ii. Cash and Cash Equivalents	11	144.83	34.67
iii. Bank balance other than (ii) above	12	73.49	86.52
iv. Security Deposits	13	177.99	156.28
(c) Current Tax Assets (Net)	14	24.46	14.58
(d) Other Current Assets	15	210.62	258.91
<b>Total Current Assets</b>		<b>2329.00</b>	<b>1669.26</b>
<b>TOTAL ASSETS</b>		<b>3921.65</b>	<b>3033.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
(a) Equity Share Capital	16	333.28	333.28
(b) Other Equity	17	-1109.12	-1545.19
<b>Total Equity</b>		<b>-775.84</b>	<b>-1211.91</b>
<b>2. LIABILITIES:</b>			
<b>A Non Current Liabilities :</b>			
(a) Financial Liabilities			
i. Borrowings	18	69.32	108.09
(b) Deferred tax liabilities (Net)	19	0.00	0.00
<b>Total Non Current Liabilities</b>		<b>69.32</b>	<b>108.09</b>
<b>B Current Liabilities :</b>			
(a) Financial Liabilities			
i. Borrowings Secured	20	0.00	0.00
ii. Borrowings Un Secured	21	792.70	772.20
iii. Trade Payables	22		
- Dues to micro and small enterprises		8.80	23.26
- Dues to other than micro and small enterprises		2259.68	1922.56
iv. Other financial liabilities	23	813.91	674.28
(b) Provisions	24	753.08	745.11
(c) Current Tax Liabilities (Net)	25	0.00	0.00
<b>Total Current Liabilities</b>		<b>4628.17</b>	<b>4137.41</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3921.65</b>	<b>3033.59</b>

Significant Accounting Policies

Note No.5

NOTES 6 TO 25 AND ADDITIONAL INFORMATION IN NOTE 36 and 37 FORM PART OF THIS BALANCE SHEET

**BALAKRISHNAS**  
Managing Director &  
Chief Executive Officer  
DIN: 00084524

Jitendra Kumar Pal  
Company Secretary

**R.PADMANABAN**  
Joint Managing Director &  
Chief Financial Officer  
DIN: 00084579

for M/s. **S B S B** and Associates  
CHARTERED ACCOUNTANTS  
Firm No.012192S

**(D.SHARAT KUMAR)**

Partner

Member Ship .No.024568

Place: Chennai

Date : May 30, 2022



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

		Particulars	Note No.	Amount Rs. in lakhs	
				31st Mar 2022	31st Mar 2021
		<b>INCOME:</b>			
I		Revenue from Operations	26	15013.70	8601.65
II		Other Income	27	12.02	9.38
III		<b>Total Income ( I + II )</b>		<b>15025.72</b>	<b>8611.03</b>
IV		<b>EXPENSES:</b>			
		Cost of materials consumed	28	9463.80	5020.93
		Purchase of Stock-in-Trade	29	0.15	34.56
		Changes in inventories of work-in-process	30	-132.89	27.39
		Changes in inventories of finished goods	31	27.07	0.78
		Employee benefits expense	32	1726.47	1334.93
		Finance costs	33	275.96	238.95
		Depreciation	6	149.38	158.02
		Other expenses	34	3079.71	1929.16
		<b>Total Expenses (IV)</b>		<b>14589.65</b>	<b>8744.72</b>
V		Profit / (Loss) before exceptional items and tax (III - IV )		<b>436.07</b>	<b>-133.69</b>
VI		Exceptional Items (+) / (-)	35	0.00	0.00
VII		<b>Profit / (Loss) before tax (V-VI)</b>		<b>436.07</b>	<b>-133.69</b>
VIII		<b>Tax expense</b>			
		a. Current Tax		0.00	0.00
		b. Deferred Tax		0.00	0.00
		c. Prior Years' Tax Charge		0.00	0.00
				0.00	0.00
IX		Profit / (Loss) for the year from Continuing Operations(VII-VIII)		436.07	-133.69
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)		436.07	-133.69
XIV		<b>Other Comprehensive income</b>			
		(i) Remeasurement of defined benefit plans		0.00	0.00
		(ii) Equity instrument through other comprehensive income		0.00	-0.01
		(iii) Income tax (expenses)/savings		0.00	0.00
				0.00	0.00
XV		<b>Total other comprehensive income</b>		<b>0.00</b>	<b>-0.01</b>
XVI		<b>Total comprehensive income for the period (XIII+XV)</b>		<b>436.07</b>	<b>-133.70</b>
		Earning per equity share (for continuing operation)			
		(i) Basic	Rs.	13.08	-4.01
		(ii) Diluted	Rs.	13.08	-4.01
		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.	13.08	-4.01
		(ii) Diluted	Rs.	13.08	-4.01

Significant Accounting Policies

Note No.5

NOTES 26 TO 35 AND ADDITIONAL INFORMATION IN NOTE 36 and 37 FORM PART OF THIS STATEMENT OF PROFIT & LOSS ACCOUNT

**BALAKRISHNAS**  
**Managing Director &**  
**Chief Executive Officer**  
 DIN: 00084524

**Jitendra Kumar Pal**  
**Company Secretary**

**R.PADMANABAN**  
**Joint Managing Director &**  
**Chief Financial Officer**  
 DIN: 00084579

for M/s. **S B S B and Associates**  
**CHARTERED ACCOUNTANTS**  
 Firm No.012192S

Place: Chennai  
 Date : May 30, 2022

**(D.SHARAT KUMAR)**  
 Partner  
**Member Ship .No.024568**



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2022

	Amount Rs. in lakhs	
	2021-22	2020-21
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	436.07	(133.69)
Adjustments for :		
Add :- Depreciation	149.38	158.02
Finance Expenses	275.96	238.95
	861.41	263.28
(Less) / Add :- (Profit) / Loss on sale of assets	0.06	-
Interest received	(10.83)	(8.68)
Operating Profit before Working Capital Changes	850.64	254.60
Adjustments for :-		
(Increase)/ Decrease in Inventories	(535.61)	(33.52)
(Increase)/ Decrease in Receivables	(43.70)	(89.84)
(Increase)/ Decrease in other financial assets	(21.71)	0.36
(Increase)/ Decrease in other current assets	48.29	(8.71)
Increase/(Decrease) in Trade payable	322.66	(192.13)
Increase/(Decrease) in other financial liabilities	47.61	255.95
Cash Generated from Operations	668.18	186.71
Direct taxes paid	<b>(9.88)</b>	<b>(4.88)</b>
<b>NET CASH FROM OPERATING ACTIVITIES (a)</b>	658.30	181.83
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets and other Capital expenses	(378.23)	(172.70)
Sale of Fixed assets	0.65	-
Sale/Purchase of shares	(0.19)	-
Increase/(Decrease) Bank deposit	13.03	(18.30)
Interest received	10.83	8.68
<b>NET CASH FROM INVESTING ACTIVITIES (b)</b>	(353.91)	(182.32)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Decrease)/ Increase in Working Capital Bank Finance	-	-
Proceeds Unsecured Loans and other Loans	20.50	264.50
Proceeds secured loan	69.19	-
Repayment of vehicle loan	(7.96)	(3.87)
Finance Expenses	(275.96)	(238.95)
<b>NET CASH FROM FINANCING ACTIVITIES (c)</b>	(194.23)	21.68
<b>Net Change in Cash and Cash Equivalent (a+b+c)</b>	110.16	21.19
<b>Cash and Cash Equivalent as at 1st April - 2021 (2020)</b>	34.67	13.48
<b>Cash and Cash Equivalent as at 31st March - 2022 (2021)</b>	<b>144.83</b>	<b>34.67</b>

**BALAKRISHNAS**  
**Managing Director &**  
**Chief Executive Officer**  
 DIN: 00084524

**Jitendra Kumar Pal**  
**Company Secretary**

**R.PADMANABAN**  
**Joint Managing Director &**  
**Chief Financial Officer**  
 DIN: 00084579

for M/s. **S B S B and Associates**  
**CHARTERED ACCOUNTANTS**  
 Firm No.012192S

**(D.SHARAT KUMAR)**  
 Partner

**Member Ship .No.024568**

Place: Chennai  
 Date : May 30, 2022



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### STATEMENT OF CHANGES 1st MARCH 2022

#### EQUITY SHARE CAPITAL

(1) Current reporting period (Amount in Rs Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
333.28	-	333.28	-	333.28

(2) Previous reporting period (Amount in Rs. In Lakhs)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
333.28	-	333.28	-	333.28

**OTHER EQUITY**  
(1) Current Reporting Period (amount in lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Total Reserve	Securities Premium	General Reserve	Retained Earnings								
Balance at the beginning of the current reporting period	-	-	443.42	1,560.57	-3,549.18	-	-	-	-	-	-	-	-	-1,545.19
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	443.42	1,560.57	-3,549.18	-	-	-	-	-	-	-	-	-1,545.19
Total Comprehensive Income for the current year	-	-	-	-	436.07	-	-	-	-	-	-	-	-	436.07
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	443.42	1,560.57	-3,113.11	-	-	-	-	-	-	-	-	-1,109.12



## (2) Previous reporting period

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Total Reserve	Securities Premium	General Reserve	Retained Earnings								
Balance at the beginning of the current reporting period	-	-	443.42	1,560.57	-3,415.49	-	0.01	-	-	-	-	-	-	-1,411.49
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	443.42	1,560.57	-3,415.49	-	0.01	-	-	-	-	-	-	-1,411.49
Total Comprehensive Income for the current year	-	-	-	-	-133.69	-	-0.01	-	-	-	-	-	-	-133.70
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period	-	-	443.42	1,560.57	-3,549.18	-	-	-	-	-	-	-	-	-1,545.19

**BALAKRISHNAS**  
Managing Director &  
Chief Executive Officer  
DIN: 00084524

Jitendra Kumar Pal  
Company Secretary

**R.PADMANABAN**  
Joint Managing Director &  
Chief Financial Officer  
DIN: 00084579

As per our report annexed  
for M/s. S B S B and Associates  
CHARTERED ACCOUNTANTS  
Firm No.012192S  
(D.SHARAT KUMAR)  
Partner  
Member Ship .No.024568

Place: Chennai  
Date: May 30, 2022



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### Notes forming part of Financial Statements

#### Note 1. Company Overview

Sri Lakshmi Saraswathi Textiles (Arni) Limited is 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 and Surgical Face Mask. 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 31.03.2022 were approved and adopted by Board of Directors of the Company in its meeting held on 30<sup>th</sup> May 2022.

#### Note 2. Basis of preparation and presentation of financial statements

- i. The financial statements are prepared on Going concern and 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



## **Sri Lakshmi Saraswathi Textiles (Arni) Limited**

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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.

- 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

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### 5.6 Revenue Recognition

- j) 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) 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**

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### **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 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**

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### **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 derecognizes 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
Amortized 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 derecognized 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.

### 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.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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- 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 categorized 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 recognized in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization 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.

### 5.21 Significant Estimates and Judgments

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





## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

### **(i) Property, 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/ amortization. Also, management judgment 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 judgment by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

### **(iii) Contingent Liabilities**

Management judgment 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 judgment 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 judgment 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 judgment is exercised in establishing fair values. Judgments 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 2022 Property, Plant, Equipment and Other Intangible Assets

For 2021-22  
Amount Rs. In lakhs

**NOTE : 06**

Particulars	Gross Block			Accumulated Depreciation			NET BLOCK	
	Balance as at 1st April 2021	Additions	Deletions	Balance as at 31st March 2022	On disposals	Balance as at 31st March 2022	WDV as on 31st March 2022	WDV as on 1st April 2021
1. Property, Plant and Equipment								
Land	22.87	0.00	0.00	22.87	0.00	0.00	22.87	22.87
Buildings	1146.51	21.35	0.00	1167.86	0.00	939.22	228.64	227.56
Plant and Machinery	6743.81	159.57	0.00	6903.38	112.95	5978.00	925.38	878.76
Electrical Installation	327.16	0.53	0.00	327.69	1.57	308.39	19.30	20.34
Furniture, Fixtures	170.76	5.42	0.00	176.18	4.47	162.51	13.67	12.72
Other Assets	24.34	0.00	0.00	24.34	1.62	21.75	2.59	4.21
Vehicles	133.60	23.24	15.04	141.80	8.50	109.23	32.57	18.55
Live Stock	0.84	0.00	0.00	0.84	0.00	0.00	0.84	0.84
<b>TOTAL - CURRENT YEAR TANGIBLE ASSETS</b>	<b>8569.89</b>	<b>210.11</b>	<b>15.04</b>	<b>8764.96</b>	<b>149.38</b>	<b>7519.10</b>	<b>1245.86</b>	<b>1185.85</b>
2 - Capital Work In Progress	8.61	176.73	8.61	176.73	0.00	0.00	176.73	8.61
<b>TOTAL - Capital Work In Progress</b>	<b>8.61</b>	<b>176.73</b>	<b>8.61</b>	<b>176.73</b>	<b>0.00</b>	<b>0.00</b>	<b>176.73</b>	<b>8.61</b>
3- Intangible Assets								
Computer Software	14.75	0.00	0.00	14.75	0.00	14.01	0.74	0.74
<b>TOTAL- CURRENT YEAR INTANGIBLE ASSETS</b>	<b>14.75</b>	<b>0.00</b>	<b>0.00</b>	<b>14.75</b>	<b>0.00</b>	<b>14.01</b>	<b>0.74</b>	<b>0.74</b>
Grand Total (Current year)	<b>8593.25</b>	<b>386.84</b>	<b>23.65</b>	<b>8956.44</b>	<b>149.38</b>	<b>7533.11</b>	<b>1423.33</b>	<b>1195.20</b>

Capital Work In Progress	(Amount in Rs. Lakhs)		
	Less than 1 year	1-2 years	2-3 years
	174.62		More than 3 years
Solar Power Plant	2.11		
New Project			
<b>TOTAL</b>	<b>176.73</b>		



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### NOTES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH 2021 Property, Plant, Equipment and Other Intangible Assets

For 2020-21  
Amount Rs. In lakhs

**NOTE : 06**

Particulars	Gross Block			Accumulated Depreciation			NET BLOCK	
	Balance as at 1st April 2020	Additions	Deletions	Balance as at 31st March 2021	On disposals	Balance as at 31st March 2021	WDV as on 31st March 2021	WDV as on 1st April 2020
1. Property, Plant and Equipment								
Land	22.87	0.00	0.00	22.87	0.00	0.00	22.87	22.87
Buildings	1144.75	1.76	0.00	1146.51	21.06	918.95	227.56	246.86
Plant and Machinery	6588.22	155.59	0.00	6743.81	122.68	5865.05	878.76	845.85
Electrical Installation	325.50	1.66	0.00	327.16	1.78	306.82	20.34	20.46
Furniture, Fixtures	165.68	5.08	0.00	170.76	2.65	158.04	12.72	10.29
Other Assets	24.34	0.00	0.00	24.34	2.96	20.13	4.21	7.17
Vehicles	133.60	0.00	0.00	133.60	6.89	115.05	18.55	25.44
Live Stock	0.84	0.00	0.00	0.84	0.00	0.00	0.84	0.84
<b>TOTAL - CURRENT YEAR TANGIBLE ASSETS</b>	<b>8405.80</b>	<b>164.09</b>	<b>0.00</b>	<b>8569.89</b>	<b>158.02</b>	<b>7384.04</b>	<b>1185.85</b>	<b>1179.78</b>
2 - Capital Work In Progress	0.00	8.61	0.00	8.61	0.00	0.00	8.61	0.00
<b>TOTAL - Capital Work In Progress</b>	<b>0.00</b>	<b>8.61</b>	<b>0.00</b>	<b>8.61</b>	<b>0.00</b>	<b>0.00</b>	<b>8.61</b>	<b>0.00</b>
3- Intangible Assets								
Computer Software	14.75	0.00	0.00	14.75	0.00	14.01	0.74	0.74
<b>TOTAL - CURRENT YEAR INTANGIBLE ASSETS</b>	<b>14.75</b>	<b>0.00</b>	<b>0.00</b>	<b>14.75</b>	<b>0.00</b>	<b>14.01</b>	<b>0.74</b>	<b>0.74</b>
<b>Grand Total (Current year)</b>	<b>8420.55</b>	<b>172.70</b>	<b>0.00</b>	<b>8593.25</b>	<b>158.02</b>	<b>7398.05</b>	<b>1195.20</b>	<b>1180.52</b>

Capital Work In Progress			
(Amount in Rs. Lakhs)			
To be completed in			
	Less than 1 year	1-2 years	2-3 years More than 3 years
Humidification of Plant	8.61		
<b>TOTAL</b>	<b>8.61</b>		



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### NON CURRENT ASSETS

7 INVESTMENT	Amount Rs. in lakhs	
Name of the Company	As at 31st Mar 2022	As at 31st Mar 2021
<b>INVESTMENT IN EQUITY INSTRUMENT</b>		
<b><u>Non Current Investments</u></b>		
<b>Quoted Investment carried at FVTOCI</b>	<b>0.00</b>	0.00
(i) 5000(5000 shares as on 1st April 2021) Equity shares of Empee Sugars and Chemicals Ltd. <b>(Quoted investment cost Rs.35,000</b> <b>Quoted investment Market Value Rs. 0)</b>		
<b>Sub Total (a)</b>	<b>0.00</b>	<b>0.00</b>
<b>Unquoted Investment carried at FVTOCI</b>		
(i) 359563 (359563 shares as on 1st April 2021) Equity shares of Gamma Green Power Pvt. Ltd. (Cost Rs.3595630)	<b>35.96</b>	35.96
(ii) 100 (100 shares as on 1st April 2021) Equity shares of TCP Power Ltd. (Cost Rs.47000)	<b>0.82</b>	0.82
(iii) 190 (190 shares as on 31st March 2022) Equity shares of ARMSTRONG POWER PRIVATE LIMITED	0.19	0.00
(iv) 50000 (50000 shares as on 1st april 2021) shares at Rs.10 each Equity shares of Dhanalakshmi Srinivasan Sugars Ltd.(Cost Rs.500000)	<b>5.00</b>	5.00
<b>Sub Total (b)</b>	<b>41.97</b>	<b>41.78</b>
<b>Total Carrying Value</b>	<b>41.97</b>	<b>41.78</b>

### 8 OTHER NON CURRENT ASSETS

Amount Rs. in lakhs		
Particulars	As at 31st Mar 2022	As at 31st Mar 2021
(i) MAT credit Entitlement	<b>105.95</b>	105.95
(ii) Capital Advances	<b>21.40</b>	21.40
<b>Total</b>	<b>127.35</b>	<b>127.35</b>



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### CURRENT ASSETS

#### 9 INVENTORIES

Amount Rs. in lakhs

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
(a) Raw Materials		
(i) Cotton	433.53	161.14
(ii) Face Mask Fabric	12.52	16.72
(iii) Polyester Staple Fibre	260.89	106.96
	706.94	284.82
(b) Stock-in-Process	354.10	221.21
(c) Finished Goods		
(i) Yarn	319.20	332.41
(ii) Face Mask Fabric	27.88	40.33
(iii) Salable waste	7.26	8.67
	354.34	381.41
(d) Stock-in-trade	0.00	0.00
(e) Stores and Spares	64.43	56.76
<b>Total</b>	<b>1479.81</b>	<b>944.20</b>

The mode of valuation of inventories disclosed in Note No. 5.5

#### 10 TRADE RECEIVABLES

Amount Rs. in lakhs

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
<b>Trade Receivables</b>		
(a) Secured, considered good	0.00	0.00
(b) Unsecured considered good	217.80	174.10
(c) Receivable with significant increase in credit risk	0.00	0.00
(d) Receivable which are credit impaired	0.00	0.00
<b>Total</b>	<b>217.80</b>	<b>174.10</b>

#### TRADE RECEIVABLES AGEING SCHEDULE

PARTICULARS	(Amount in Lakhs.)					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables - Considered good	173.27	22.49	4.61	-	17.43	217.80
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-
<b>TOTAL</b>	173.27	22.49	4.61	-	17.43	217.80



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

<b>11 CASH AND CASH EQUIVALENTS</b>			<b>Amount Rs. in lakhs</b>
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>	
(a) Cash on hand	<b>116.86</b>	23.31	
(b) Balances with Banks	<b>27.97</b>	11.36	
<b>Total</b>	<b>144.83</b>	<b>34.67</b>	
<b>12 BANK BALANCES OTHER THAN (11) ABOVE</b>			<b>Amount Rs. in lakhs</b>
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>	
(a) <b>Others</b>			
(i) Term deposits with bank held by banks as margin money	<b>73.49</b>	85.12	
(ii) Deposit in Unpaid Dividend Account	<b>0.00</b>	1.40	
<b>Total</b>	<b>73.49</b>	<b>86.52</b>	
<b>13 SECURITY DEPOSITS</b>			<b>Amount Rs. in lakhs</b>
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>	
<b><u>Current</u></b> Security Deposits	<b>177.99</b>	156.28	
<b>Total</b>	<b>177.99</b>	<b>156.28</b>	
<b>14 CURRENT TAX ASSETS (Net)</b>			<b>Amount Rs. in lakhs</b>
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>	
(a) Provision for current tax unpaid	<b>0.00</b>	0.00	
(b) Less: Tax paid pending adjustment	<b>24.46</b>	14.58	
<b>Total</b>	<b>24.46</b>	<b>14.58</b>	
<b>15 OTHER CURRENT ASSETS</b>			<b>Amount Rs. in lakhs</b>
<b>Particulars</b>	<b>As at 31st Mar 2022</b>	<b>As at 31st Mar 2021</b>	
(i) Advances to Supplier/Contractors	140.14	182.88	
(ii) Prepaid Expenses	14.93	18.53	
(iii) CGST Input Credit	2.21	14.67	
(iv) CST Advance paid	0.00	0.00	
(v) VAT Advance Paid	0.00	0.10	
(vi) SGST Input Credit / RCM March 22	0.67	0.58	
(vii) Travelling and Wages Advances	52.13	37.83	
(viii) Interest Accrued and Receivable	0.54	0.65	
(ix) Duty Drawback Claim Receivable	0.00	3.67	
<b>Total</b>	<b>210.62</b>	<b>258.91</b>	



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### 16 - EQUITY SHARE CAPITAL

Particulars	31st March 2022		31st March 2021	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>Authorised</b>				
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
<b>Issued, Subscribed and fully paid up</b>				
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 2022		31st March 2021	
	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 2022		31st March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
S. BALAKRISHNA	784650	23.54	784650	23.54
R. THIRUMALAI	226003	6.78	226003	6.78
R. PADMANABHAN	223900	6.72	223900	6.72
R. RAJAGOPAL	220800	6.63	220800	6.63
R. PADMINI	210600	6.32	210600	6.32
ANIL KUMAR GOEL	184100	5.52	184100	5.52
SRISH JAYENDER BALAKRISHNA	170000	5.10	170000	5.10

#### Note: D

The company during the period of five years immediately preceding 31st March 2022, 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 31-03-2022



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### 17 - OTHER EQUITIES RESERVES AND SURPLUS

Amount Rs. in lakhs

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
a) General reserve	1560.57	1560.57
b) Securities Premium Reserve	443.42	443.42
c) FTVOCI Reserve	0.00	0.00
d) Retained earnings	-3113.11	-3549.18
<b>Total</b>	<b>-1109.12</b>	<b>-1545.19</b>

#### 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 recognise 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 2022	As at 31st Mar 2021
<b><i>Non-Current</i></b>		
<b><i>Secured</i></b>		
Note (a)		
Vehicle Loan from IOB	0.13	8.09
Vehicle Loan from IOB - New	14.19	0.00
Note (b)		
Term Loan from NBFC	0.00	100.00
Note (c)		
Solar Power System Loan from IOB - New	55.00	0.00
<b>TOTAL</b>	<b>69.32</b>	<b>108.09</b>

Note:

a) The Vehicle Loan from IOB is secured by exclusive first charge by hypothecation of vehicles purchased out of the loans and personal guarantee of promoter directors

b) Term Loan from NBFC is secured by exclusive first charge on the Windmill assets located at Udayathoor village, Radhapuram taluk, Tirunelveli district, Tamil Nadu comprising land measuring 2 acres, Building and Windmill Machinery; by way of Equitable Mortgage of land and building and Hypothecation of machinery

c) Term Loan from IOB is secured by exclusive first charge on the Solar Power System assets located at Ragunathapuram village, Arni taluk, Tiruvannamalai district, Tamil Nadu comprising Solar Power Machinery; by way of Equitable Mortgage of Hypothecation of machinery





## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### 19 DEFERRED TAX LIABILITIES / (ASSETS)

Amount Rs. in lakhs

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
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

Amount Rs. in lakhs

Break up Details	As at 31st Mar 2022	As at 31st Mar 2021
<b>Deferred Tax Liability</b>		
i) Tax Liability on difference between book depreciation and depreciation under the Income Tax Act 1961.	165.38	108.05
<b>Deferred Tax Assets</b>		
i) Tax effect on timing differences of certain expenses and carried over losses	(1057.53)	(1211.12)
<b>Deferred Tax Liability/(assets)</b>	<b>(892.15)</b>	<b>(1103.07)</b>

THE COMPANY DOES NOT RECKON DEFERRED TAX ASSET

### 20- CURRENT BORROWINGS

Amount Rs. in lakhs

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
<b>Borrowings Secured</b>		
<b>-From banks</b>		
<b>(a) Indian Overseas Bank</b>		
(i) Open Loan	0.00	0.00
<b>(b) State Bank of India</b>		
(i) Open Loan	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

#### Note on Security Created

The open loan, Bills discounting \*\*, and letter of Credit limits for Working Capital\*\* from Indian Overseas Bank, Esplanade Branch, Chennai - 600 108 and Open loan, Bills discounting\*\* and letter of Credit Limits for working capital\*\* from State Bank of India, Leather and International Branch, Chennai - 600 002 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, 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. 36 (i).



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### 21 -BORROWINGS - UNSECURED

Amount Rs. in lakhs

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
(i) Loan from related parties repayable on demand	792.20	771.20
(ii) Deposits from Consignment Agents	0.50	1.00
<b>Total</b>	<b>792.70</b>	<b>772.20</b>

### 22 -TRADE PAYABLES

Amount Rs. in lakhs

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Due to micro and small enterprises	8.80	23.26
Due to other than micro and small enterprises	2259.68	1922.56
<b>Total</b>	<b>2268.48</b>	<b>1945.82</b>

PARTICULARS	OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
(i) MSME	8.80	-	-	-	8.80
(ii) Others	2,258.15	0.11	-	1.42	2,259.68
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>TOTAL</b>	<b>2,266.95</b>	<b>0.11</b>	<b>-</b>	<b>1.42</b>	<b>2,268.48</b>

### 23 - OTHER FINANCIAL LIABILITIES

Amount Rs. in lakhs

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
(a) Current maturity of Vehicle Loan (Secured) and Other Loan	224.44	111.32
(b) Advance from buyers and other Credits	68.93	45.67
(c) Un-paid dividends	0.00	1.40
(d) Interest accrued and due on borrowings	220.85	143.43
(e) Disputed deemed Demand charges	15.04	13.79
(f) Creditors for expenses	284.65	358.67
<b>Total</b>	<b>813.91</b>	<b>674.28</b>

### 24 - PROVISIONS

Amount Rs. in lakhs

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
a) Provision for Employee Benefits	736.62	735.38
b) Provision for Hank Yarn Obligation	0.75	0.20
c) Provision for TDS	7.94	8.95
d) Provision for GST/VAT	7.77	0.58
<b>Total</b>	<b>753.08</b>	<b>745.11</b>



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### 25 - CURRENT TAX LIABILITIES (Net)

Particulars	Amount Rs. in lakhs	
	As at 31st Mar 2022	As at 31st Mar 2021
<b><u>Current Tax Liabilities</u></b>		
(a) Current year Tax Expenses		
(b) Less: Tax paid pending adjustment		
<b>Current Tax Liability (NET)</b>	<b>0.00</b>	<b>0.00</b>

### 26 - REVENUE FROM OPERATION

	Amount Rs. in lakhs	
	2021-22	2020-21
<b>(a) Sales of Products</b>		
i) Yarn Sales	16123.98	9134.91
ii) Face Mask Sales	170.07	77.96
iii) Waste Sales	102.43	98.62
iv) Miscellaneous Sales	4.05	1.73
<b>Subtotal Inclusive of GST</b>	<b>16400.53</b>	<b>9313.22</b>
<b>Less : GST</b>	1387.89	716.21
<b>Subtotal (a)</b>	<b>15012.64</b>	<b>8597.01</b>
<b>(b) Other Operating Revenues</b>		
(i) Duty drawback claim received	1.06	4.64
<b>Subtotal (b)</b>	<b>1.06</b>	<b>4.64</b>
<b>REVENUE FROM OPERATION (a+b)</b>	<b>15013.70</b>	<b>8601.65</b>

### 27 - OTHER INCOME

	Amount Rs. in lakhs	
	2021-22	2020-21
(i) Interest income	10.83	8.68
(ii) Rent from Employees Quarters	0.52	0.47
(iii) Insurance claim Received	0.73	0.23
(iv) Job work charges	0.00	0.00
(v) Profit on Sale of Fixed Assets	(0.06)	0.00
<b>Total</b>	<b>12.02</b>	<b>9.38</b>



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### 28 - COST OF MATERIALS CONSUMED

	Amount Rs. in lakhs	
	2021-22	2020-21
Opening Stock		
Cotton stock	161.14	154.15
Face Mask Fabric	16.72	0.00
Polyster Staple Fibre	106.96	72.06
	284.82	226.21
Add: Purchases		
Cotton	5706.04	3182.18
Face Mask Fabric	82.98	94.72
Polyster Staple Fibre	3915.81	1682.98
	9704.83	4959.88
Less: Closing Stock		
Cotton	433.53	161.14
Face Mask Fabric	12.52	16.72
Polyster Staple Fibre	260.89	106.96
	706.94	284.82
<b>Raw Material Consumed</b>	<b>9282.71</b>	<b>4901.27</b>
Packing Materials Consumed	181.09	119.66
<b>Cost of materials consumed</b>	<b>9463.80</b>	<b>5020.93</b>

### 29 - PURCHASE OF STOCK- IN-TRADE

PARTICULARS	Amount Rs. in lakhs	
	2021-22	2020-21
Yarn purchase	0.15	34.59
<b>Total</b>	<b>0.15</b>	<b>34.59</b>

### 30 - CHANGES IN INVENTORIES OF WORK-IN-PROCESS

PARTICULARS	Amount Rs. in lakhs	
	2021-22	2020-21
Work-in-Process - Opening stock	221.21	248.60
Work-in-Process - Closing stock	354.10	221.21
<b>Sub Total</b>	<b>-132.89</b>	<b>27.39</b>

### 31 - CHANGES IN INVENTORIES OF FINISHED GOODS

PARTICULARS	Amount Rs. in lakhs	
	2021-22	2020-21
Finished Goods - Opening stock	381.41	382.19
Finished Goods - Closing stock	354.34	381.41
<b>Sub Total</b>	<b>27.07</b>	<b>0.78</b>

### 32 - EMPLOYEE BENEFITS EXPENSE

PARTICULARS	Amount Rs. in lakhs	
	2021-22	2020-21
(i) Salaries Wages and Bonus	1427.81	1085.53
(ii) Contribution to Employees PF & Family Pension Fund	77.99	61.06
(iii) Provision for contribution to Gratuity Fund	45.27	64.44
(iv) Workmen & Staff Welfare Expenses	117.27	73.41
(v) Managerial Remuneration (Ref.Annex.I)	58.13	50.49
<b>Total</b>	<b>1726.47</b>	<b>1334.93</b>



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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PARTICULARS	2021-22	2020-21
(a) Salary	44.43	37.31
(b) Contribution to PF	3.16	2.51
(c) Provision for Bonus	2.21	1.95
(d) Medical Reimbursement	2.19	1.78
(e) Provision for Gratuity	0.69	0.84
(f) Directors Sitting Fees	5.45	6.10
<b>Total</b>	<b>58.13</b>	<b>50.49</b>

### 33 - FINANCE COSTS

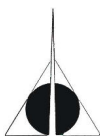
PARTICULARS	2021-22	2020-21
<b>Finance Expenses</b>		
(a) Interest on Term Loan from Banks	4.25	1.95
(b) Interest on Term Loan from NBFC	28.00	28.00
(c) Interest on working capital borrowing from banks	34.60	39.15
(d) Interest- others	174.00	144.18
(e) Interest- MSME	0.87	1.61
(f) Bank Charges	35.38	24.62
(g) Foreign Exchange Rate Fluctuation	-1.14	-0.56
<b>Total</b>	<b>275.96</b>	<b>238.95</b>

### 34 - OTHER EXPENSES

PARTICULARS	Amount Rs. in lakhs	
	2021-22	2020-21
<b>MANUFACTURING AND OTHER OPERATING EXPENSES</b>		
i) Power and fuel	1976.07	1296.90
ii) Repairs & Maintenance		
(a) Building	29.07	26.97
(b) Machinery	458.70	224.70
(c) Others	10.08	11.49
<b>Total (a)</b>	<b>2473.92</b>	<b>1560.06</b>
<b>ADMINISTRATION AND OTHER CHARGES</b>		
(a) Insurance	12.57	10.55
(b) Vehicle Maintenance	87.61	37.71
(c) Rates, Renewal & Taxes	10.89	10.45
(d) Other Administrative Expenses	140.37	104.02
<b>Total (b)</b>	<b>251.44</b>	<b>162.73</b>
<b>Selling Expenses</b>		
(a) Commission & Brokerage on Yarn Sales	110.68	56.88
(b) Godown Rent	0.00	0.00
(c) Freight & Other selling expenses	243.67	149.49
<b>Total (c)</b>	<b>354.35</b>	<b>206.37</b>
<b>GRAND TOTAL (a+b+c)</b>	<b>3079.71</b>	<b>1929.16</b>

### 35 - EXCEPTIONAL ITEMS

PARTICULARS	Amount Rs. in lakhs	
	2021-22	2020-21
NIL	0.00	0.00
	0.00	0.00



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### NOTE NO. 36

#### DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022.

#### i) Contingent Liabilities and Commitments not provided for

Details	(Rs.in lakhs)	
	As at 31.03.2022	As at 31.03.2021
<b>a) Contingent Liabilities</b>		
Contingent Liabilities not provided for in respect of		
1. Export Bills Discounted under irrevocable Letters of Credit issued by Foreign Banks	0.00	49.33
2. Disputed Income Tax Liabilities	0.00	0.00
3. Disputed Contribution to Employees State Insurance Corporation	0.00	0.00
<b>b) Commitments</b>		
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 11 years and the total amount to be funded is Rs.520.39 Lakhs. (As on 31.03.2021 Rs. 507.44 Lakhs).

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

S.No	Particulars	(Rs. in Lakhs)	
		31-03-2022	31-03-2021
(a)	The principal amount	8.80	21.80
(b)	The interest due thereon remaining unpaid	--	1.46
(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	45.44	24.41
(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	0.87	1.61
(e)	The amount of interest accrued and remaining unpaid at the end of accounting year	--	1.45
(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	Nil	Nil



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

iv) Deposit received from Director

Particulars	(Rs.in Lakhs)	
	2021-22	2020-21
Opening balance	771.20	506.70
Received During the year	66.00	293.50
Re-paid during the Year	45.00	29.00
Closing Balance	792.20	771.20

v) Details of Auditors' Remuneration:

Details	2021-22	2020-21
	Rs.in lakhs	Rs.in lakhs
Statutory Audit	2.75	2.75
<b>Total</b>	<b>2.75</b>	<b>2.75</b>

- vi) Confirmation of balances from Debtors, Creditors, and advances to suppliers 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 INDAS 19, Employees Benefit, the disclosure of employees benefits as defined in the Accounting standard are given below:

Details	31/03/2022 Rs.in lakhs	31/03/2021 Rs.in lakhs
a) Defined Contribution Plan Employers Contribution to provident Fund	67.19	52.23
b) Gratuity Plan (funded)		
Present value of the obligation at the beginning of the period	511.14	498.68
Interest Cost	34.71	32.86
Current service cost	24.25	23.80
Past Service Cost	0.00	0.00
Less: Benefits paid (if any)	0.00	0.00
Actuarial (gain)/loss	(46.01)	(44.20)
Present value of the obligation at the end of the period	524.09	511.14
<b>Actuarial Assumptions</b>		
Discount Rate (per annum)	7.14%	6.79%
Rate of increase in compensation levels	5.00%	5.00%
Attrition rate	2.00%	2.00%
Expected rate of return on plan Assets	7.14%	6.79%



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

× Earning Per Share:

Details	2021-22 Rs.in lakhs	2020-21 Rs.in lakhs
Net Profit/ Loss for the period (A)	436.07	-133.69
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)	13.08	-4.01
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

xi) 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 Sundaraghavan	Company Secretary
4.	Sri J.M.Grover	Independent Director
5.	Sri. S Sridhara Rao	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. Avira Industries Private Limited
2. Sherhood Properties Private Limited
3. Masterjee Institute of Studies Pvt Ltd.,
4. SLST INDUSTRIES LIMITED
5. Southern Feast Ventures Private Limited.
6. Novezo Consulting Private Limited
7. Pattukottai Mess Private Limited

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

<b>Key Managerial personnel</b>	<b>2021-22 Rs.in lakhs</b>	<b>2020-21 Rs.in lakhs</b>
Sri. J.M.Grover - Independent Director	2.15	1.98
Sri. R. Sambasivan - Independent Director	1.32	2.14
Smt. Sivarani J - Director	1.98	1.98

ii) Remuneration to Key Management Personnel

<b>Key Managerial personnel</b>	<b>2021-22 Rs.in lakhs</b>	<b>2020-21 Rs.in lakhs</b>
Sri.Balakrishna S, Managing Director & CEO	31.83	25.29
Sri.R.Padmanaban, Joint Managing Director & CFO	20.86	19.09
Smt.Geetha Sundaraghavan, Company Secretary	32.49	13.61
<b>Relatives of KMP</b>		
Sri. R.Thirumalai, Production Manager	16.26	14.73
Sri. R.Rajagopal, Administrative Manager	7.05	6.03
Sri. Srish Jayender Balakrishna, General Manager - Marketing	6.72	4.88

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

### Amount taken from Key Management Personnel

<b>Particulars</b>	<b>2021-22 Rs.in lakhs</b>	<b>2020-21 Rs.in lakhs</b>
i) Amount taken from Sri. R.Padmanaban, Joint Managing Director / Chief Financial Officer.		
a) Outstanding as on 31 <sup>st</sup> March	(792.20)	(771.20)
b) Maximum amount outstanding during the year	(822.20)	(781.20)
c) Rate of Interest – Payable	11.00%	11.00%
d) Interest	86.45	80.60



## 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 2021-22				For 2020-21			
	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	29.23	1.90	0.70	31.83	23.06	1.49	0.74	25.29
Sri. R. Padmanaban Joint Managing Director & CFO	19.60	1.26	0.00	20.86	17.96	1.02	0.11	19.09
Smt.Geetha Sundararaghavan, Company Secretary	19.92	0.66	11.91	32.49	12.89	0.72	Note No.3	13.61

NOTE:

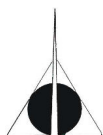
1. Short term benefits includes bonus, and value of perquisites.
2. Defined contribution consists of contribution to Provident fund.
3. As the liability for gratuity are provided on actuarial basis for the company as a whole, amounts accrued pertaining to this key managerial personnel is not included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

### xii) 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
<b>As at 31-03-2022</b>					
<b>Financial Assets</b>					
Investments	41.97	-	-	41.97	41.97
Trade Receivables	217.80	-	-	217.80	217.80
Cash and Cash Equivalents	218.32	-	-	218.32	218.32
Other Financial Assets	177.99	-	-	177.99	177.99
<b>Financial Liabilities</b>					
Borrowings	862.02	-	-	862.02	862.02
Trade Payables	2259.68	-	-	2259.68	2259.68
Other financial liabilities	830.66	-	-	830.66	830.66
<b>As at 31-03-2021</b>					
<b>Financial Assets</b>					
Investments	41.79	-	(-) 0.01	41.78	41.78
Trade Receivables	174.10	-	-	174.10	174.10
Cash and Cash Equivalents	121.19	-	-	121.19	121.19
Other Financial Assets	156.28	-	-	156.28	156.28
<b>Financial Liabilities</b>					
Borrowings	880.29	-	-	880.29	880.29
Trade Payables	1945.82	-	-	1945.82	1945.82
Other financial liabilities	674.28	-	-	674.28	674.28



## 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)
<b>Financial Instruments at FVTOCI</b>				
<b>Investment in listed equity securities</b>				
As at 31-03-2022	0.00	-	-	0.00
As at 31-03-2021	0.00	-	-	0.00
<b>Investment in unlisted equity securities</b>				
As at 31-03-2022	-	-	41.97	41.97
As at 31-03-2021	-	-	41.78	41.78

### 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-Last quoted price on 03 <sup>rd</sup> Feb 2020 on BSE.
Investment in Unlisted securities	Discounted Cash flow Analysis	Nil

### xiii) 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.

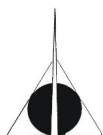
### Liquidity Risk

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)	
	31-03-2022	31-03-2021
Working capital and other facilities		
Expiring within one year	276.05	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)
<b>As at 31-03-2022</b>				
Borrowing from NBFC	69.32	Nil	293.56	
Trade payable	2268.48	Nil	Nil	2268.48
Other financial Liability	606.22	Nil	Nil	606.22
Unsecured Borrowing	792.70	Nil	Nil	792.70
<b>As at 31-03-2021</b>				
Borrowing from Banks & NBFC	111.31	108.09	Nil	219.41
Trade payable	1945.82	Nil	Nil	1945.82
Other financial Liability	562.96	Nil	Nil	562.96
Unsecured Borrowing	772.20	Nil	Nil	772.20

### 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
<b>In USD</b>			
As at 31-03-2022	Nil	Nil	Nil
As at 31-03-2021	Nil	Nil	Nil
<b>In EURO</b>			
As at 31-03-2022	Nil	Nil	Nil
As at 31-03-2021	Nil	Nil	Nil

### Risk sensitivity on foreign currency fluctuation

Foreign Currency	31-03-2022		31-03-2021	
	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	31-03-2022 Rs.in Lakhs	31-03-2021 Rs.in Lakhs
Variable rate Borrowings	Nil	Nil

### Sensitivity on Interest rate fluctuation

Incremental Interest Cost works out to	31-03-2022 Rs.in Lakhs	31-03-2021 Rs.in Lakhs
1% Increase in Interest rate	Nil	Nil
1% Decrease in Interest rate	Nil	Nil

### xiv) 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	31-03-2022 Rs.in Lakhs	31-03-2021 Rs.in Lakhs
Short Term Borrowings	1017.14	883.52
Less:- Cash and Cash Equivalentents	218.32	121.19
Net Debt(A)	798.82	762.33
Equity Share Capital	333.28	333.28
Other Equity	(1109.12)	(1545.19)
Total Equity (B)	(775.84)	(1211.91)
<b>Total Capital Employed(C)= (A)+(B)</b>	22.98	(449.58)
<b>Net Gearing Ratio (A)/ (B)</b>	NA	-NA

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 31-03-2022 and 31-03-2021.



## **Sri Lakshmi Saraswathi Textiles (Arni) Limited**

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### **Note No. 37**

Due to lockdown imposed to control the spread of COVID-19 pandemic, the mill could not function for 25 days during the year. Which does not have any significant impact in the company's overall performance during the period under the review.

/ BY ORDER OF THE BOARD /

**BALAKRISHNA S**  
**Managing Director &**  
**Chief Executive Officer**  
DIN: 00084524

**Jitendra Kumar Pal**  
**Company Secretary**

**R.PADMANABAN**  
**Joint Managing Director &**  
**Chief Financial Officer**  
DIN: 00084579

for M/s. **S B S B and Associates**  
CHARTERED ACCOUNTANTS  
Firm No. **012192S**

Place: Chennai  
Date : May 30, 2022

**(D.SHARAT KUMAR)**  
Partner  
**Member Ship .No.024568**

If undelivered please return to



**Sri Lakshmi Saraswathi Textiles (Arni) Limited**

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