SLST Industries Limited

CIN : U17299TN2018PLC125103

Financial Details of unlisted company – Rs.in Crores

(Rs. In Thousand)	Audited 31.03.2022	Audited 2020-21	Audited 2019-2020	Audited 2018-2019
Equity Paid up Capital	0.01	0.01	0.01	0.01
Reserves and surplus	-0.03	-0.02	-0.02	-0.01
Carry forward losses	--	--	--	--
Net Worth	-0.02	-0.01	-0.01	0.00
Miscellaneous Expenditure	0.00	0.00	0.00	0.00
Secured Loans	--	--	--	--
Unsecured Loans	0.02	0.02	0.01	0.00
Fixed Assets	0.00	0.00	0.00	0.00
Income from Operations	0.00	0.00	0.00	0.00
Total Income	0.00	0.00	0.00	0.00
Total Expenditure	0.01	0.01	0.01	0.01
Profit before Tax	--	--	--	--
Profit after Tax	--	--	--	--
Cash profit	--	--	--	--
EPS	--	--	--	--
Book value	--	--	--	--

For SLST INDUSTRIES LIMITED

(BALAKRISHNA S)
DIRECTOR

SLST INDUSTRIES LIMITED CHENNAI 600 034

DIN: 00084524
Date: May 10, 2022

Regd. Off. : 16, Krishnama Road, Nungambakkam, Chennai - 600 034. India
Phone : 91-44-28277344 / 28270548 E-mail : ro.slstmills@gmail.com

M/s. S.VISWANATHAN LLP

CHARTERED ACCOUNTANTS

Regd. Off : 17, Bishop Wallers Avenue (West), Mylapore, Chennai - 600 004

Tel: 91-44-24991147, 24994423, 24994510

email: adminchennai@sviswallp.in

Firm Registration No. 004770S / S200025 GSTIN: 33AAAFV0367K1Z7

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SLST INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **SLST Industries Limited** ('the Company'), which comprise the balance sheet as at 31st March, 2022, the statement of Pre-operative expenses, the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No: 9 of the financial statements. As the company did not commence its commercial operation, there is no significant impact in the company's overall performance during the current period due to Covid-19 pandemic.

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

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In conducting our audit, we have considered the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's

S. VISWANATHAN LLP CHARTERED ACCOUNTANTS REGN. NO. 004770S CHENNAI 600 004

preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
c) The Balance Sheet, the Statement of Pre-operative expenses, the statement of cash flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
f) 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:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

S. VISWANATHAN LLP REGN. No. 001770S/ S200025 CHENNAI 600004 CHARTERED ACCOUNTANTS

i. The company does not have any pending litigations on its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

Place: Chennai
Date: 29 - 04 -, 2022

For **M/S. S.VISWANATHAN, LLP**
Chartered Accountants
Regn No:04770S/S20025

(Chella K Srinivasan)
Partner
Membership number: 023305
UDIN: 22023305AIJECO8205

"Annexure A" to the Independent Auditors' Report of even date on the Financial Statements of SLST INDUSTRIES LIMITED

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

(i) In respect of its property, plant and equipment

Since the Company does not have plant and equipment, the clause (i) is not applicable.

(ii) According to the information and explanations given to us, the company has no inventory hence clause (ii) is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has not granted loans to a body corporate covered in the register maintained under Sec 189 of the Companies Act 2013 and hence clause (iii) (a) to (c) are not applicable to the company.

(iv) The company has complied with the provisions of sections 185 and 186 of the companies Act, 2013, in respect of loans, investments, provided by the company. The company has not provided any guarantee or security to any company covered under Section 185.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under are applicable.

(vi) According to information and explanations given to us, there is no operational activities during the year, hence no cost records have been maintained.

(vii) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company does not have any amount to be deposited with the appropriate authorities. There are no undisputed amounts payable in respect of statutory due arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable. Hence this clause is not applicable.

(viii) According to the information and explanation given to us the company does not have transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year. Hence this clause is not applicable.

(ix) In our opinion and according to the information and explanations given to us, the company has not taken any loans or borrowing from any financial institution, bank or Government hence, the clause (ix) is not applicable.

(x) According to the information and explanations given to us, the company has made private placement of shares during the year for the purpose of expenses towards the scheme of arrangement to be carried out, as approved by the board.

(xi) In our opinion and according to the information and explanations given to us, the company has not noticed any fraud by the company or any fraud on the company by its officers or employees or reported during the year.

(xii) The Company is not a Nidhi Company. Therefore, Clause (xii) of the Order are not applicable to the Company.

(xiii) In our opinion all transaction with related parties are in compliance with section 177 and section 188 of companies act, 2013 and all details have been disclosed in financial statements.

(xiv) As the company has not commenced operations, the question of an internal audit system does not arise. Hence this clause is not applicable.

(xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the Order are not applicable to the Company.

(xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Hence this clause is not applicable.

(xvii) According to the information and explanation given to us the company has not incurred cash losses in the year and in the immediate preceding financial year. Hence this clause is not applicable.

(xviii) There hasn't been any resignation of statutory auditors during the year. Hence this clause is not applicable.

M/s. S. VISWANATHAN LLP REGN. NO. 004756S CHENNAI 600 004 CHARTERED ACCOUNTANTS

SLST INDUSTRIES LIMITED
CIN: U17299TN2018PLC125103
16, Krishnama Road, Nungambakkam, Chennai – 600 034
BALNCE SHEET AS AT 31st MARCH, 2022

Assets	Notes	Amount In Thousands	
		Current Year	Previous Year
I. Non Current Assets			
(a) Property, Plant & Equipment		0.00	0.00
(b) Capital work in progress		0.00	0.00
(c) Investment Property		0.00	0.00
(d) Goodwill		0.00	0.00
(e) Other Intangible Assets		0.00	0.00
(f) Intangible Assets under development		0.00	0.00
(g) Biological Assets other than bearer plants		0.00	0.00
(h) Financial assets			
(i) Investment		0.00	0.00
(ii) Trade Receivables		0.00	0.00
(iii) Loans		0.00	0.00
(iv) Other (to be specified)		0.00	0.00
(i) Deferred Tax Assets (Net)		0.00	0.00
(j) Other non-current assets	3	323.75	249.31
Total Non-Current Assets		**323.75**	**249.31**
II. Current Assets			
(a) Inventories		0.00	0.00
(b) Financial Assets			
(i) Investment		0.00	0.00
(ii) Trade Receivables		0.00	0.00
(iii) Cash and cash equivalents	4	13.75	30.19
(iv) Bank balance other than (iii) above		0.00	0.00
(v) Loans		0.00	0.00
(vi) Others to be specified		0.00	0.00
(c) Current Tax Assets (Net)		0.00	0.00
(d) Other current assets		0.00	0.00
Total Current Assets		**13.75**	**30.19**
TOTAL ASSETS		**337.50**	**279.50**
II. Equity and Liability			
1. Equity:			
(a) Equity Share capital	5	108.00	100.00
(b) Other Equity		0.00	0.00
Total Equity		**108.00**	**100.00**
2. Non-current liabilities:			
(a) Financial Liabilities			
i. Borrowings		0.00	0.00
a. Lease liabilities		0.00	0.00
ii. Trade Payables			
a. total outstanding dues of micro enterprises and		0.00	0.00
b. total outstanding dues of creditors other than		0.00	0.00
c. Other financial liabilities (other than those		0.00	0.00
(b) Provisions		0.00	0.00
(c) Deferred tax liabilities (Net)		0.00	0.00
(d) Other non-current liabilities		0.00	0.00
Total Non-current liabilities		**0.00**	**0.00**
Current liabilities			
(a) Financial Liabilities			
i. Borrowings	6	200.00	150.00
a. Lease liabilities		0.00	0.00
ii. Trade Payables			
a. total outstanding dues of micro enterprises and		0.00	0.00
b. total outstanding dues of creditors other than		0.00	0.00
iii. Other financial liabilities (other than those		0.00	0.00
(b) Other current liabilities		0.00	0.00
(c) Provisions	7	29.50	29.50
(d) Current Tax Liabilities (Net)		0.00	0.00
Total Current Liabilities		**229.50**	**179.50**
Total Equity and Liabilities		**337.50**	**279.50**

(R.PADMANABAN)
DIRECTOR

(BALAKRISHNA S)
DIRECTOR

SLST INDUSTRIES LIMITED CHENNAI 600 034

For M/S. S.VISWANATHAN, LLP
Chartered Accountants
Regn No:047708/S20025

(Chella K Srinivasan)
Partner
Membership number: 023305

S. VISWANATHAN LLP REGN. NO. 047708/S200025 CHENNAI 600 004 CHARTERED ACCOUNTANTS

Palce: Chennai
Date: April 29, 2022

SLST INDUSTRIES LIMITED

CIN: U17299TN2018PLC125103

16, Krishnama Road, Nungambakkam, Chennai – 600 034

Cash Flow Statement for the year ended on 31st March 2022

Particulars	Amount Rs.in Thousands	
	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Company yet to commence operation)		
Pre-operative expenses	-74.44	-79.65
Cash outflow on pre-operative expenses	-74.44	-79.65
Adjustments for :-		
- Increase in Provision	-	-
- Increase in other current assets	-	0.98
Net Cash outflow on account of pre-operative expenses (a)	**-74.44**	**-78.66**
B.CASH FLOW FROM INVESTING ACTIVITIES	0.00	0.00
C.CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from equity share issues	8.00	0.00
Increase in Borrowings	50.00	50.00
NET CASH FROM FINANCING ACTIVITIES (c)	**50.00**	**50.00**
Net Change in Cash and Cash Equivalent (a+b+c)	**-16.44**	**-28.66**
Cash and Cash Equivalent as at 1st April - 2021 (2020)	30.19	58.85
Cash and Cash Equivalent as at 31st March - 2022 (2021)	13.75	30.19

(R.PADMANABAN)
DIRECTOR

SLST INDUSTRIES LIMITED CHENNAI 600 034

(BALAKRISHNA S)
DIRECTOR

S. VISWANATHAN LLP REGN. No. 04770S/S200025 CHENNAI 600 004 CHARTERED ACCOUNTANTS

For **M/S. S.VISWANATHAN, LLP**
Chartered Accountants
Regn No:04770S/S20025

(Chella K Srinivasan)
Partner
Membership number: 023305

Palce: Chennai
Date: April 29, 2022

SLST INDUSTRIES LIMITED

CIN: U17299TN2018PLC125103

16, Krishnama Road, Nungambakkam, Chennai – 600 034

Statement of Pre-operative Expenses:

S.No.	Details	Amount in Rs. In Thousands	
		Current Year	**Previous Year**
1	Depository Service Charges	6.88	5.90
2	Transfer Agent initial fees	0.00	0.00
3	Audit Fees	29.50	29.50
4	Other Expenses		
	a. Stationery	0.00	0.00
	b. GST on Audit Fees	0.00	0.00
	c. TDS return filing charges	0.00	0.42
	d. Professional Charges for Secretarial Services	35.40	35.40
	e. Filing Fees for ROC	0.00	2.53
	f. Bank Charges	0.00	0.00
	g. Professional Charges for Audit certification	2.66	5.90
	Total of Pre-operative Expenses	**74.44**	**79.65**

(R.PADMANABAN)
DIRECTOR

SLST INDUSTRIES LIMITED CHENNAI 600 034

(BALAKRISHNA S)
DIRECTOR

For **M/S. S.VISWANATHAN, LLP**
Chartered Accountants
Regn No:04770S/S20025

(Chella K Srinivasan)
Partner
Membership number: 023305

S. VISWANATHAN LLP CHARTERED ACCOUNTANTS REGN. No. 04770S/S200025 CHENNAI 600 004

Palce: Chennai
Date: April 29, 2022

NOTES TO ACCOUNTS

Note 1: Company Overview:

SLST Industries Limited a Public Limited Company incorporated under the Companies Act 2013, on 4th October 2018 and has its Registered Office at New No.16, Old No.17, Krishnamachari Road, Nungambakkam, Chennai – 600 034. The company has been incorporated for establishing a spinning mill. The company is taking steps to establish a spinning mill and commercial operation is to yet to begin. The financial statements of the company for the year ended on 31st March 2022 were approved and adopted by the Board of Directors of the company in its meeting held on April, 29, 2022.

Note 2: Basis of preparation and presentation of financial statement.

(i) The Company has voluntarily opted to apply Indian Accounting Standard (IND AS) and its financial statements are prepared in accordance with Indian Accounting Standard (IND AS).

(ii) A Note on significant accounting policies used in preparing the financial statement will be presented on commencement of commercial operation.

NOTE 3: Other Non-Current Assets

Pre-operative Expenses	**Rs.in Thousands**
Balance as on 01.04.2018	N.A.
Expenses during the period ended on 31.03.2019	97.24
Balance as at 31.03.2019	97.24
Add: Preoperative Expenses during the year 2019-2020	72.43
Balance as at 31.03.2020	169.67
Add: Preoperative Expenses during the year 2020-2021	79.64
Add: Preoperative Expenses during the year 2021-2022	74.44
Total Pre-operative Expenses as on 31.03.2022	323.75

NOTE 4: Cash and cash equivalents

Particulars	**Current Year**	**Previous Year**
Balance in current account with bank	13.75	30.19

NOTE 5: Equity Share capital

Particulars	**Current Year**		**Previous Year**	
	No.of Shares	**Rs.in Thousands**	**No.of Shares**	**Rs.in Thousands**
Authorised:				
Equity Shares of Rs.9 each from 2021-22	12000	108	10000	100
Equity Shares of Rs.10 each up to 2020-21				
Issued, Subscribed and fully paid				
Issued, Subscribed and fully paid	12000	108	10000	100

Note A:

Terms

The Company has only one class of equity shares having at par value of Rs.10 per share, each holder of equity shares is entitle to one vote per share.

Note B:

During the year the company has issued shares but not bought bank any shares.

	Current Year		**Previous Year**	
	No.of Shares	Rs.in Thousands	No.of Shares	Rs.in Thousands
Reconcilation of the shares				
outstanding at the beginning and at	12000	108	10000	100
the end of the year				

Note C:

Shareholding more than 5% of the shares.

Name of the shareholder	**Current Year**		**Previous Year**	
	No.of shares	% of holding	No.of shares	% of holding
S BALAKRISHNA	1500	12.5	1250	12.5
R. PADMANABHAN	1500	12.5	1250	12.5
R RAJAGOPAL	1500	12.5	1250	12.5
R THIRUMALAI	1500	12.5	1250	12.5
R PADMINI	1500	12.5	1250	12.5
SHANTHA SRIHARI	1500	12.5	1250	12.5
SRISH JAYENDER BALAKRISHNA	1500	12.5	1250	12.5
SANGEETA KRISNA	1500	12.5	1250	12.5

SLST INDUSTRIES LIMITED CHENNAI 600 034

S. VISWANATHAN LLP REGN. No. 004770S/S200065 CHENNAI 600 004

Note D:

A company shall disclose Shareholding of Promoters* as under

Shares held by promoters at the end of the year				% Change during the year***
S. No	Promoter name	No. of Shares**	%of total shares	
1	S BALAKRISHNA	1500	12.5	20%
2	R. PADMANABHAN	1500	12.5	20%
3	R RAJAGOPAL	1500	12.5	20%
4	R THIRUMALAI	1500	12.5	20%
5	R PADMINI	1500	12.5	20%
6	SHANTHA SRIHARI	1500	12.5	20%
7	SRISH JAYENDER BA	1500	12.5	20%
8	SANGEETA KRISNA	1500	12.5	20%
Total		12000	100	

NOTE 6: Borrowings

Particulars	Current Year	Previous Year
	Rs.in Thousands	Rs.in Thousands
a. Loan from Directors payable on demand-related party	200	150
Total	200	150
Additional Information		
Particulars	**Current Year**	**Previous Year**
	Rs.in Thousands	**Rs.in Thousands**
Related Party transactions		
(i) Amount taken as loan from Sri Balakrishna S, Director	125	75
(ii)Amount taken as loan from Sri R.Padmanaban,Director	75	75
Total	200	150

(iii) Maximum amount was also the same and there was no interest.

NOTE 7:Provisions

Particulars	Current Year	Previous Year
	Rs.in Thousands	Rs.in Thousands
a. Provision for Audit fees	29.5	29.5
Total	29.5	29.5

Note 8: Disclosures forming part of financial statements for the period ended on 31.03.2022

(i) As the company did not commence commercial operation, there is no statement of profit and loss.
(ii) Figures are stated in Rupees in thousands
(iii) Figures were grouped or re-grouped wherever necessary

Note 9: Impact of Lockdown imposed to contain spread of COVID-19.

As the company did not commence its commercial operation, there is no significant impact in the company's overall performance during the current period due COVID-19 pandemic.

(R.PADMANABAN)
DIRECTOR

SLST INDUSTRIES LIMITED
CHENNAI
600 034

(BALAKRISHNA S)
DIRECTOR

For M/S. S.VISWANATHAN, LLP
Chartered Accountants
Regn No:04770S/S20025

S.VISWANATHAN LLP CHARTERED ACCOUNTANTS
REGN. No. 04770S/S200025 CHENNAI 600 004

(Chella K Srinivasan)
Partner
Membership number: 023305

Palce: Chennai
Date: April 29, 2022

STATEMENT OF CHANGES IN EQUITY AND OTHER EQUITY FOR THE YEAR ENDED 31-03-2022

A. Equity Share Capital

1)Current Reporting Period

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
100000			8000	108000

2)Previous Reporting Period

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
100000				100000

(R.PADMANABAN)
DIRECTOR

SLST INDUSTRIES LIMITED
CHENNAI
600 034

(BALAKRISHNA S)
DIRECTOR

For M/S. S.VISWANATHAN, LLP
Chartered Accountants
Regn No:04770S/S20025

S.VISWANATHAN LLP CHARTERED ACCOUNTANTS
REGN. No. 004770S/S200025
CHENNAI
600 004

(Chella K Srinivasan)
Partner
Membership number: 023305

Palce: Chennai
Date: April 29, 2022

Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

Financial Details of listed company

(Rs. in Crores)

	Unaudited 31.12.2021	Audited 2020-21	Audited 2019-2020	Audited 2018-2019
Equity Paid up Capital	3.33	3.33	3.33	3.33
Reserves and surplus	-12.08	-15.45	-14.11	-2.90
Carry forward losses		35.49	34.15	22.94
Net Worth	**-8.75**	-12.12	-10.78	0.43
Miscellaneous Expenditure	--	--	--	--
Secured Loans	--	--	--	--
Unsecured Loans	7.93	7.72	5.08	2.35
Fixed Assets	13.93	11.95	11.81	10.86
Income from Operations	108.55	86.02	92.54	111.65
Total Income	108.60	86.11	92.71	111.87
Total Expenditure	**105.23**	87.45	103.92	119.17
Profit before Tax	**3.37**	-1.37	-112.13	-7.07
Profit after Tax	**3.37**	-1.34	-112.13	-7.12
Cash profit	4.48	0.24	-9.80	-5.66
EPS Rs.	10.12	-4.01	-4.01	-21.36
Book value	-2.63	-3.64	-3.24	-0.13

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

(Jitendra Kumar Pal)
Company Secretary

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
CHENNAI
600 034

Date: 10th May 2022

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

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

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Annual Report 2020 - 2021

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

(CIN : L17111TN1964PLC005183)

ANNUAL REPORT 2020-21

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

SRI R. SAMBASIVAN
Director

Ms. SIVARANI J
Director

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

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

Website:
www.slstindia.com

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

REGISTRARS & SHARE TRANSFER AGENTS
Cameo Corporate Services Limited
Subramanian Building,
No.1 Club House Road,
Chennai 600 002
Phone No: 044-28461989
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
5th Street, Anna Nagar East
Chennai ï 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
J. Sivakumar & Co.
B-9, Kanakambujam Apartments,
No.14, 6th Avenue,
Ashok Nagar,
Chennai ï 600 083.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fifty Seventh Annual General Meeting of the Company will be held at 02.30 P.M. on Monday, November 29, 2021 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 2021 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

   ðRESOLVED that the Audited Financial Statements of the company for the year ended 31st March 2021 alongwith the Reports of the Directors and Auditors thereon, be and are hereby approved and adoptedñ

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

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

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

SPECIAL BUSINESS

3. To re-appoint Sri Balakrishna. S, as Managing Director, for a period of 1 year w.e.f 01.04.2021 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:

   ðRESOLVED 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 1 year from 01.04.2021 to 31.03.2022 and that he may be paid remuneration which is in accordance with Schedule V of Companies Act 2013 as detailed below from 01.04.2021 to 31.03.2022.

   a) Salary Rs.1,32,000/- per month from 01.04.2021.
   b) Allowance of 2/3rd of salary per month.
      This allowance is not to be taken into account for the purpose of calculation of employerõs 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.

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

e) Provision of Car for use on Companyõs 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.

4. To re-appoint Sri R Padmanaban, as Joint Managing Director, for a period of 1 years w.e.f. 01.04.2021 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:

ñRESOLVED 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 1 year from 01.04.2021 to 31.03.2022 and that he may be paid remuneration which is in accordance with Schedule V of Companies Act 2013 as detailed below from 01.04.2021 to 31.03.2022.

a) Salary Rs.89,100/- per month from 01.04.2021.
b) Allowance of 2/3rd of salary per month.
This allowance is not to be taken into account for the purpose of calculation of employerõs 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.

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

e) Provision of Car for use on Companyõs 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.

For and on behalf of the Board

Place : Chennai
Date : October 9, 2021

(BALAKRISHNA S)
Chairman & *Managing Director*

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 20/2020,1 412020,1712020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBIIHOICFDICMD11CIR/PI2020179 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as ñthe Circularsò), 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 (ñthe Actò).

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 November 23, 2021 to November 29, 2021 (both days inclusive).

7. The ISIN No. allotted to the equity shares of your company for the purpose of de-materialization is **INE456D01010**

8a. Members holding shares in physical form are requested to notify the change in address, immediately. Members holding shares in the electronic form are requested to notify the change in address to their depository participants.

8b. Members may please note that as per SEBI (LODR) Regulations 2015, requests for effecting transfer of securities, except in case of transmission or transposition of securities, shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. 01.04.2019.

8c. In order to avoid any inconvenience in the future in dealing with the shares of the company, members are advised to update their PAN and Bank account details by submitting the following documents to the Registrar & Transfer Agent ï 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.

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

c) In compliance with the Circulars, the Annual Report 2020-21, the Notice of the 57th 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 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. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at 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.

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.

h) In continuation of this Ministryôs General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

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

(i) The voting period begins at 9.00 AM on November 26, 2021 and ends at 5.00 PM on November 28, 2021. During this period shareholdersôof the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date for e-voting) of November 22, 2021 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 shareholdersôresolutions. 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.

(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:

Type of shareholders	Login Method
Individual Share-holders holding securities in Demat mode with CDSL	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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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

Type of shareholders	Login Method
Individual Share-holders holding securities in Demat mode with CDSL	vote during the remote e-Voting period or joining virtual meeting & 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 providersôwebsite directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Shareholders holding securities in demat mode with NSDL	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: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the ñBeneficial Ownerò icon under ñLoginò which is available under óIDeASô 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 ñAccess to e-Votingò 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 & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select ñRegister Online for IDeAS ñPortal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon ñLoginò which is available under óShareholder/Memberô 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 & voting during the meeting

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 helpdesk.evoting@cdslindia.comor contact at 022-23058738 and 22-23058542-43
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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(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.
2) Click on ñShareholdersò 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 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:

PAN	For Physical shareholders and other than individual shareholders holding shares in Demat. Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)· • 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • 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.

(vi) After entering these details appropriately, click on ñSUBMITò 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 óPassword Creationômenu 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 ñRESOLUTION DESCRIPTIONò and against the same the option ñYES/NOò 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 ñRESOLUTIONS FILE LINKò if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on ñSUBMITò. A confirmation box will be displayed. If you wish to confirm your vote, click on ñOKò, else to change your vote, click on ñCANCELò and accordingly modify your vote.

(xiii) Once you ñCONFIRMò 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 ñClick here to printò 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) Additional Facility for Non ï Individual Shareholders and Custodians ï For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the ñCorporatesò module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 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, 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. 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.

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 .
b) For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
c) For Individual Demat shareholders ï 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 or contact at 022- 23058738 and 022-23058542/43.

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 or call on 022-23058542/43.

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

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 Scrutinizerôs 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 Scrutinizerôs Report shall be placed on the Companyôs website www.slstindia,com and on the website of BSE within 2 working days of AGM of the Company.

15. 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.

16. Members may also note that the Notice of the 57th AGM and the Annual Report 2020-21 will also be available on the Companyôs website, www.slstindia.com and website of BSE Limited www.bseindia.com.

17. 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.

18. 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.

19. Pursuant to the provisions of Sec.124 and Sec 125 of Companies Act 2013/ Sec. 205A and 205C of Companies Act 1956, there was no transfer to the Investor Education and Protection Fund of the Central Government during 2020-21.

20. Pursuant to the provisions of Sec.124 and Sec 125 of Companies Act 2013/ Sec. 205A and 205C of Companies Act 1956, the unclaimed dividend for the year 2013-14 which remained unpaid for a period of over seven years was transferred to the Investor Education and Protection Fund of the Central Government on September 15, 2021. Hence, the Members who have not claimed their dividend for the year 2013-14 may logon to IEPF website to claim their dividend. Pursuant to Rule 8 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed dividends transferred to IEPF on 15.09.2021 on the website of the Company (www.slstindia.com), as also on the website of the Ministry of Corporate Affairs.

The details of transfer of unclaimed dividend to the said Fund are:

Financial year	Date of Declaration of Dividend	Last date for Claiming unpaid Dividend	Date of Transfer to IEPF
2013-14	01.08.2014	12.09.2021	15.09.2021

21. 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 dividend for the year 2013-14 which has not been paid or claimed for seven consecutive years or more will be transferred by the Company to IEPF after the transfer of unclaimed dividend for the year 2013-14 to IEPF. The shareholders / their legal heirs or entitled to claim the said shares and the dividend so transferred from the IEPF by making an online application in Form No. IEPF - 5 to the IEPF Authority. The procedure and the Form are available at www.iepf.gov.in. The procedure and the Form will be made available at www.slstindia.com after the transfer of shares to IEPF.

22. The Equity Shares of the Company are listed in the following Exchanges:

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

The company has paid the listing fees for 2020-21 to BSE Limited.

23. At this Annual General Meeting, Sri R.Padmanaban retire by rotation and being eligible, offer himself for reappointment.

Sri R.Padmanaban is an Engineer and has been with the Company since October 2000.
Details of other Directorships / Committee memberships held by him

1. Avira Industries Private Limited — Director
2. Sherhood Properties Private Limited — Director
3. Masterjee Institute of Studies Pvt Ltd., — Director
4. SLST INDUSTRIES LIMITED — Director
5. Southern Feast Ventures Private Limited. — Director
6. Novezo Consulting Private Limited — Director

24. 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.

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

(BALAKRISHNA S)
Chairman & *Managing Director*

Place : Chennai
Date : October 9, 2021

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

Sub 3 Sri Balakrishna S, Managing Director was appointed by the shareholders for a period of three years from April 1, 2018 to March 31, 2021 at the 54th Annual General Meeting held on August 8, 2018. 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 1 year from April 1, 2021 and payment of Remuneration from April 1, 2021 which has already been approved by the Board at its meeting held on February 12, 2021 as recommended by the Nomination and Remuneration Committee at its meeting held on February 11, 2021.

Sri Balakrishna S, is interested in this resolution.

Sub 4 Sri.R.Padmanaban, Joint Managing Director was appointed by the shareholders for a period of three years from April 1, 2018 to March 31, 2021 at the 54th Annual General Meeting held on August 8, 2018. 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 1 year from April 1, 2021 and payment of Remuneration from April 1, 2021 which has already been approved by the Board at its meeting held on February 12, 2021 as recommended by the Nomination and Remuneration Committee at its meeting held on February 11, 2021.

Sri R.Padmanaban, is interested in this resolution.

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

Place : Chennai
Date : October 9, 2021

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

FIFTY SEVENTH ANNUAL REPORT

DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors present the Fifty Seventh Annual Report of the Company alongwith the audited statement of accounts for the year ended 31st March 2021..

1. WORKING RESULTS

Details	Rs. in lakhs	Rs. in lakhs
Profit from business operation before Financial Expenses and Depreciation		263.28
Less:		
1) Financial Expenses	238.95	
2) Depreciation	158.02	396.97
Current year Loss		133.69
Loss carried forward from previous years		3415.49
Loss carried forward		3549.18

2. PRODUCTION AND INCOME FROM OPERATIONS:

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

Details	2020-21	2019-20
Production in Kgs in Lakhs	42.72	51.75
Sales in Kgs in Lakhs	43.45	51.19
Revenue from operation Rs.in Lakhs	8601.65	9253.81

3. DIVIDEND

Due to loss, your Directors do not recommend Dividend.

4. TRADE PROSPECT AND OUTLOOK

The financial year 2020-21 was a difficult year due to COVID-19 Pandemic. Due to the shortage of man power of required skill, there was a set back incapacity utilization during the year. The demand for yarn started to increase from third quarter resulting in better sales realization and improvement in performance. Since the favourable industrial condition continues in the current year also, the company is expected to make a reasonable profit during 2021-22.

5. IMPACT OF COVID-19

Due to lock down imposed to control the spread of COVID-19 the Mill could not function for nearly 50 days during the year. Since the loss of working days was in the first three months the loss incurred was minimum. The expenses incurred by the company to compact COVID-19 was not significant. As there is dislocation of manpower, the company is facing problems to deploy manpower of required skill affecting capacity utilization.

6. CURRENT YEAR

From third quarter of last year there is a favourable change in the industrial conditions. This will help to improve the performance during the current year. Your Directors are doing their best to improve the performance to a reasonable level.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr.R.Padmanaban, Joint Managing Director on the Board retires by rotation and is eligible for reappointment.

8. ANNUAL RETURN

The Annual Return of the Company as on March 31, 2021 is available on the Companyôs website and can be accessed at www.slstindia.com

9. DETAILS OF MEETINGS OF BOARD AND COMMITTEES OF BOARD HELD DURING 2020-21.

a) There were Seven Board meetings held during the year 2020-21. The details and attendance record of Directors at the Board Meetings are as under.

Date of Meeting	Boardôs Strength (on the date of meeting)	No.of Directors Present
05/08/2020	5	2
04/09/2020	5	5
15/08/2020	5	5
12/11/2020	5	5
12/01/2021	5	3
12/02/2021	5	5
31/03/2021	5	5

b) There were five Audit Committee meetings held during the year 2020-21. The details and attendance record of Directors at the Audit Committee Meetings are as under.

Date of Meeting	Committeeôs Strength (on the date of meeting)	No.of Directors Present
04/08/2020	3	2
03/09/2020	3	3
14/09/2020	3	3
11/11/2020	3	3
11/02/2021	3	3

c) There were one Independent Directorsô meetings held during the year 2020-21. 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
12/03/2021	2	2

d) There was one Nomination and Remuneration Committee Meeting held during the year 2020-21. The details and attendance record of Directors at the Nomination and Remuneration Committee meeting are as under.

Date of Meeting	Committeeôs strength (on the date of meeting)	No.of Directors Present
11/02/2021	3	3

e) There was one Stakeholders Relationship Committee Meeting held during the year 2020-21. The details and attendance record of Directors at the Stakeholders Relationship Committee Meeting are as under.

Date of Meeting	Committeeôs Strength (on the date of meeting)	No.of Directors Present
04.09.2020	4	4

f) There was no meeting of Corporate Social Responsibility Committee during the year 2020-21

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

Details		Annual General Meeting	Board Meetings	Audit Committee Meetings	Nomination and Remuneration Committee Meetings	Stakeholders Relationship Committee Meeting	Corporate Social Responsibility Committee Meeting	Independent Directors Meetings
Total No.of Meetings held during 2020-21		1	7	5	1	1	-	1
S. No	Name of the Director	Whether attended	ðð Number of Meetings Attended ðð -					
1.	Sri Balakrishna S	Yes	7	N.A.	N.A.	1	--	N.A.
2.	Sri R.Padmanaban	Yes	7	N.A.	N.A.	1	--	N.A.
3.	Sri J M Grover	No	5	4	1	1	--	1
4.	Sri R Sambasivan	No	5	5	1	1	N.A.	1
5.	Ms.Sivarani J	Yes	6	5	1	N.A.	N.A.	N.A

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of Annual Accounts for the year ended 31st March 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March 2021, and of the profit/ loss of the company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.
5. The Directors had laid down Internal Financial Controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. INDEPENDENT DIRECTORS

a) The Board of Directors state that declarations were given by Sri.J M Grover and Sri.R.Sambasivan, Independent Directors under sub section (6) of 149 of Companies Act, 2013.

b) Terms and conditions of appointment of Independent Directors can be viewed at the company Website: www.slstindia.com

12. REMUNERATION POLICY

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

13. EXPLANATION TO QUALIFIED OPINION OF SECRETARIAL AUDITOR / STATUTORY AUDITOR.

a) EXPLANATION TO SECRETARIAL AUDITOR'S OPINION:

The Directors wish to state that there was a delay in submission of Audited Results for the year 2020-21 to BSE during 2020 due to the severe impact of COVID-19 and Lockdown imposed by the State Government at that time.

b) 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**.

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) OF 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	13.90	0.83	0	14.73
Mr.R.Rajagopal	R.Padmanaban	Brother	5.69	0.34	0	6.03
Mr.Srish Jayender Balakrishna	Balakrishna S	Son	4.58	0.30	0	4.88

ii) Borrowing from Director

A.

S.No.	Name of the Director	Year	Amount Borrowed Rs.in Lakhs
1.	Sri R.Padmanaban, Joint Managing Director	2020-21	781.20

B. Amount outstanding as on 31st March 2021 Rs. 771.20 Lakhs

C. Interest Rs. 80.60 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.**

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 www.slstindia.com

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: www.slstindia.com.

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

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

20. EVALUATION OF BOARD

The performance of Board, its Committee and individual directors are evaluated by number of meetings held, time spent in each meeting deliberating the issues, quality of information / data provided to the member, the time given to them to study the details before each meeting, quality of the deliberation in each meeting, contribution of each director, the details of decision taken and measures adopted in implementing the decision and monitoring the continuous implementation of the decision and feed back to the Board.

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. <u>DISCLOSURE ON AUDIT COMMITTEE</u>

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

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

All the members have wide exposure in the relevant areas.

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

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 www.slstindia.com.

24. SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the year 2020-21 is provided in **ANNEXURE - 6**.

25. DETAILS TO BE DISCLOSED UNDE 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.

1) Particulars of top ten employees in terms of remuneration drawn is given in **ANNEXURE - 8**
2) None of the employees was in receipt of remuneration in excess of the prescribed 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 2020-21.

- 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,

However Cost Audit is not required for this year.

31. AUDITORS

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, subject to ratification in every subsequent Annual General Meeting.

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

33. 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.

34. CORPORATE GOVERNANCE REPORT

Regulation 15 of SEBI (Listing Obligations and Disclosure *Requirements*) *Regulations 2015, does not apply* to your company, as your companyôs 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.

35. DECLARATION BY CEO AFFIRMING COMPLIANCE WITH CODE OF CONDUCT

Declaration is given in **ANNEXURE – 10**

36. COMPLIANCE CERTIFICATE REGARDING CORPORATE GOVERNANCE.

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

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

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

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

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

39. DISCLOSURE OF COMPLIANCE WITH SECRETARIAL STANDARDS.

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

40. 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

41. DIRECTORS' REPORT PLACED IN WEBSITE.

This Directorsôreport is placed in companyôs website and the same can be viewed at www.slstindia.com

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

Place : Chennai
Date : October 9, 2021

(BALAKRISHNA S)
Chairman & *Managing Director*

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*)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021
[*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	8611.03	(Since there is no impact of Audit Qualification, there is no adjustment)
	2.	Total Expenditure	8744.73	
	3.	Net Profit/(Loss)	(-) 133.70	
	4.	Earnings Per Share	(-) 4.01	
	5.	Total Assets	3033.59	
	6.	Total Liabilities	4245.50	
	7.	Net Worth	(-) 1211.91	
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

The standalone financial statements as on 31st March 2021, indicates that the accumulated losses amounting to Rs.3549.18 Lakhs has eroded the net worth of the company. The statement of profit and loss account also indicates that the company has been incurring net losses for the previous three years. These events indicate that a material uncertainty exists that may cast significant doubt on the companyôs ability to continue as a going concern. However, the companyôs statement of audited financial results have been prepared using the going concern basis of accounting, based on the opinion of the management that the company would generate sufficient profits in the foreseeable future.

We were not able to obtain confirmation of balance in respect of Raw material suppliers, Customers and Vendors.

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

c. **Frequency of qualification:** ~~Whether Appeared first time~~ / **Repetitive** / since how long continuing **Since financial year 2019-2020.**

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 managementôs view on the two qualified opinions is as below:

Quote:

(i) Qualified opinion of Statutory Auditor:

The standalone financial statements as on 31st March 2021, indicates that the accumulated losses amounting to Rs.3549.18 Lakhs has eroded the net worth of the company. The statement

of profit and loss account also indicates that the company has been incurring net losses for the previous three years. These events indicate that a material uncertainty exists that may cast significant doubt on the companyôs ability to continue as a going concern. However, the companyôs statement of audited financial results have been prepared using the going concern basis of accounting, based on the opinion of the management that the company would generate sufficient profits in the foreseeable future.

Unquote:

Managementôs View:

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

1. Though the company has incurred loss during the current year and in previous years due to adverse conditions prevailing in the industry and net worth has eroded, it continues its business operation to the optimum level. The company, with the favourable change of industrial conditions, is confident of making profits. The company has started to make profit from the fourth quarter of 2020-21 and hope it will continue to make profit.

2. In view of the above, the company continues to prepare its Accounts and the Financial Statement *using going concern basis of accounting*.

Quote:

(ii) Qualified opinion of Auditor:

We were not able to obtain confirmation of balance in respect of Raw material suppliers, Customers and Vendors.

Unquote:

Management View:

Due to COVID-19 Pandemic the company was unable to get confirmation from several parties. Management confirms that all balances in the accounts of all parties are correct and there are no unreconciled differences.

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

Signatories:

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

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

Place: Chennai
Date: October 9, 2021

(BALAKRISHNA S)
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

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	14.73	30.07.2001/ 27.03.2018
Mr.R.Rajagopal	R.Padmanaban	Brother	6.03	29.05.2014/ 27.03.2018
Mr.Srish Jayender Balakrishna	Balakrishna S	Son	4.88	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 : 2020-21

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

(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	781.20 (maximum amount) 771.20 (Balance as on 31.03.2021)	13.02.2018/ 27.03.2018/ 13.02.2019/ 12.11.2019/ 13.02.2020 & 15.09.2020

(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.80.60 Lakhs.

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

Place: Chennai
Date : October 09, 2021

(BALAKRISHNA S)
Chairman & Managing Director

Annexure - 3

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

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

Details	Disclosure	
(A) Conservation of energy- (i) the steps taken or impact on conservation of energy;	The company conducts periodical energy audit and implements the advice given by the energy audit team. In all machines and areas wherever required energy savings equipments / spares/ component are used to conserve energy	
(ii) the steps taken by the company for utilising alternate sources of energy;	The company as alternate source has installed 1 No. Wind Turbine Generator.	
(iii) the capital investment on energy conservation equipments;	During the year ï Nil.	
(B) Technology absorption-	Nil	
(C) Foreign exchange earnings and Outgo	2020-21	
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.	Earnings/ Inflow Through Export Expenses / Outgo Raw Material Import Travel Expenses Total Outgo	Rs.in lakhs 247.02 Nil

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

Place : Chennai
Date : October 9, 2021

(BALAKRISHNA S)
Chairman & Managing Director

Annexure – 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **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

A. 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.

B. To directly or indirectly take up programmes that benefit the communities in & around its work locations and results, over a period of time, in enhancing the quality of life &economic well-being of the local populace.

C. To generate, through its CSR initiatives, a community goodwill for SLST and help reinforce a positive & socially responsible image of SLST as a corporate entity.

Weblink to the CSR Policy:

http://www.slstindia.com

2. **The Composition of the CSR Committee.**

   a. Sri Balakrishna. S, Chairman of the Committee
   b. Sri R.Padmanaban, Member
   c. Sri. J.M. Grover, Member

3. **Average net profit of the company for last three financial years Loss** Rs.655.66 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 implement-ing agency
1							
2							
3							
Total							

Not Applicable

*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.

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

Place : Chennai
Date : October 9, 2021

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	The company in addition to manufacture of yarn has started manufacture face mask during the year.
(iii) The details of directors or key managerial personnel who were appointed or have resigned during the year	There is no appointment or resignation of any Directors or any Key Managerial Personnel during the year
(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	There is no appointment of Independent Director during the year
(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 companyôs 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

Place: Chennai
Date : October 9, 2021

(BALAKRISHNA S)
Chairman & Managing Director

ANNEXURE – 6

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021
[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 ï 600 034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED**, (hereinafter called as ñthe companyò). 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 Companyõs 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 31.03.2021, 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 31.03.2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 (ó SCRAõ) and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (ó SEBI Actõ):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(i) Secretarial Standards 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 report that, the provisions of the following regulations are not applicable to the Company during the audit period:-

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

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

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

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

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

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

(a) The Company has belatedly submitted the Financial Results for the quarter/year ended 31.03.2020 with the Stock Exchange as prescribed under Regulation 33 of the Securities Exchange Board of India, (Listing Obligation and Disclosure Requirements), 2015.

We further report that

(a) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

(b) adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) all the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

(d) there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For A.K.JAIN & ASSOCIATES
Company Secretaries

Place: Chennai
Date: 14.06.2021

BALU SRIDHAR
Partner
M.No. F5869
C.P. No. 3550
PR: P2000TN000100
UDIN: F005869C000458805

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 ï 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: 14.06.2021

BALU SRIDHAR
Partner
M.No. F5869
C.P. No. 3550
PR: P2000TN000100
UDIN: F005869C000458805

Annexure – 7

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

S. No.	Disclosure Requirements	Disclosure			
i. & ii.	The ratio of the remuneration of each Director to the median remuneration of the Company for 2020-21, the percentage increase in remuneration of each Director, Chief Finance Officer, Chief Executive Officer and Company Secretary in 2020-21.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for 2020-21 (Rs.in Lakhs)	% increase in the remuneration in 2020-21	Ratio of remuneration of each Director to median Remuneration of employee.
		Balakrishna S, Managing Director and Chief Executive Officer	24.55	(-) 18%	40
		R.Padmanaban Joint Managing Director and Chief Financial Officer	18.98	(-) 8%	31
		Geetha Sundararaghavan Company Secretary	13.61	(-) 11%	Not Applicable
iii.	The percentage increase in the median remuneration of employees in the financial year;	There was a reduction of 12.32% in the median remuneration.			
iv	The number of permanent employees on the rolls of company;	1049			
v	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There was a reduction of 7% in the average remuneration of managerial personnel and the average remuneration of employees other than the managerial personnel was reduced by 9%. The higher reduction in average remuneration of employees other than the managerial personnel was due to the retirement of senior employees whose average remuneration was high and vacancy caused by their retirement was filled by fresh employees whose average remuneration was low.			
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

Place : Chennai
Date : October 9, 2021

(BALAKRISHNA S)
Chairman & Managing Director

ANNEXURE - 8

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

Particulars of Top Ten Employees in terms of remuneration drawn.

S. No.	Name	Age (Yrs)	Designation	Remuneration Paid/ Payable Rs.in Lakhs	Qualification and Experience	Date of Commencement of Employment	Last Employment
1.	Balakrishna. S	61	Managing Director	24.55	B.Com, MBA	23.10.1985	ð
2.	R.Padmanaban	50	Joint Managing Director	18.98	B.E.	29.10.1998	ð
3.	R.Thirumalai	44	Manager production	14.73	B.Sc.	01.08.2001	ð
4.	Geetha Sundararaghavan	58	Company Secretary	13.61	B.Com, ACS	29.03.1993	In Practice
5.	S. Selvarajan	56	General Manager (Technical)	10.08	D.T.T	23.08.2018	GTN Textiles, Palakkad
6.	Palani. E	57	Asst. General Manager	6.07	B.Sc. MCA	11.06.1986	ð
7.	Rajagopal R.	49	Manager ï Administration	6.03	B.Com, PGDHM	01.06.2014	ð
8.	Suresh. D	55	Accounts Manager	5.73	B.Com	01.12.1993	Kausalya Pharmaceuticals Pvt. Ltd.,
9.	Suresh. R	45	Manager Electrical	5.61	B.E	14.04.2010	Sree Narasimha Textiles, Sulur Coimbatore
10.	Venkatapathy M	48	Manager - Quality	5.44	Diploma In Textile Technology	02.05.2007	Sambandam Spg Mills, Salem

Note:
1. All appointments are contractual.
2. Remuneration includes Salary, Companyôs contribution to Provident Fund, but does not include Provision for Gratuity.
3. None of the employees mentioned above is related to any Director of the Company except, Sri.R.Thirumalai, Manager Production and Sri.R.Rajagopal, Manager - Administration are related to Sri R.Padmanaban, Joint Managing Director.

Annexure – 9

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 DirectorsôReport.

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 DirectorsôReport, 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 companyôs performance in the industrial relations front continues to be very cordial. Currently the company has 1049 employees of all ranks on its rolls.

Annexure – 10

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT.

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

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

(BALAKRISHNA S)
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

Place: Chennai
Date: October 9, 2021

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

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Sri Lakshmi Saraswathi Textiles (Arni) Limited** (ëthe Companyî), which comprise the balance sheet as at 31st March, 2021, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as ñStandalone Ind AS financial statementsò).

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 basis for qualified opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

The standalone financial statements as on 31st March 2021, indicates that the accumulated losses amounting to Rs.3549.18 Lakhs has eroded the net worth of the company. The statement of profit and loss account also indicates that the company has been incurring net losses for the previous three years. These events indicate that a material uncertainty exists that may cast significant doubt on the companyôs ability to continue as a going concern. However, the companyôs statement of audited financial results have been prepared using the going concern basis of accounting, based on the opinion of the management that the company would generate sufficient profits in the foreseeable future.

We were not able to obtain confirmation of balance in respect of Raw material suppliers, Customers and Vendors.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of for our qualified opinion.

Emphasis of Matter:

- We draw attention to Note No: 37 of the financial statements, which describes the effects of COVID-19 pandemic in the Companyôs production operations and higher cost of compliances, which does not have any significant impact in the Companyôs overall performance during the current period.
  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.

- Due to Covid-19 related lockdown, company was not able to carry out the Physical verification of Fixed assets on a regular interval basis.
- A significant amount of physical cash balance amounting to Rs.23.31 Lakhs is being maintained by the company for a prolonged period of time, without any valid reason.

Key Audit Matters:

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

Responsibility of Management for Financial Statements

The Companyôs Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (ñthe Actò) with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014.

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

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

Those Board of Directors are also responsible for overseeing the companyôs financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In conducting our audit, we have considered the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditorôs judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Companyôs preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also

includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Companyõs Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditorõs Report) Order, 2016 (õthe Orderò), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the õ**Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f)With respect to the other matters to be included in the Auditorõs Report in accordance with the requirements of section 197(16) of the Act, as amended:

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.

g) 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 õ**Annexure B**ò

h) With respect to the other matters to be included in the Auditorõs Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The company has disclosed the impact of pending litigations on its financial position in its financial statements.
ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

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

Place: Chennai
Date : October 9, 2021

UDIN: 21024568AAAACC5868

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

Referred to in Paragraph 2 under the heading ôReport on Other Legal & Regulatory Requirementô of our report of even date:

- In respect of its fixed assets:

  (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

  (b) Due to COVID-19 related lockdown, These fixed assets have not been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.

  (c) The title deeds of immovable properties are held in the name of the company.

- According to the information and explanations given to us, the Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.

- According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has not granted loans to a body corporate covered in the register maintained under Sec 189 of the Companies Act 2013 and hence clause (iii) (a) to (c) are not applicable to the company.

- The company has complied with the provisions of sections 185 and 186 of the companies Act, 2013, in respect of loans, investments, provided by the company. The company has not provided any guarantee or security to any company covered under Section 185.

- According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder are applicable.

- According to information and explanations given to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company and such accounts have been made and maintained by the company.

- (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Excise Duty, Duties of Customs, Value added tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.

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

Name of the Statute	Nature of dues	Amount involved	Amount unpaid	Forum where dispute is pending	Period to which it relates
Employeeôs State Insurance Act 1948	Contribution to Employeeôs State Insurance Corporation	4,16,000	1,12,150	High Court	2000-01

- In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, clause (ix) of the Order is not applicable to the Company.
- In our opinion and according to the information and explanations given to us, the company has not noticed any fraud by the company or any fraud on the company by its officers or employees or reported during the year.
- According to the information and explanations given to us, managerial remuneration paid is in accordance with provisions of section 197, read with schedule V of the Companies Act.
- The Company is not a Nidhi Company. Therefore, Clause (xii) of the Order are not applicable to the Company.
- In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, Clause (xiv) of the Order are not applicable to the Company.
- According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the Order are not applicable to the Company.
- The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

Place: Chennai
Date : October 9, 2021

UDIN: 21024568AAAACC5868

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

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

We have audited the internal financial controls over financial reporting of **Sri Lakshmi Saraswathi Textiles (Arni) Limited** (ñthe Companyò) as of March 31, 2021 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 Companyôs management is responsible for establishing and maintaining internal financial controls based on ñthe 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)ò 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 companyôs 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 Companyôs 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 ñGuidance Noteò) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion on the Companyôs Internal Financial Controls System over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has an Internal Financial Controls System over Financial Reporting which needs strengthening and such Internal Financial Controls over Financial Reporting were operating as at March 31, 2021, based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

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

Place: Chennai
Date : October 9, 2021

UDIN: 21024568AAAACC5868

Sri Lakshmi Saraswathi Textiles (Arni) Limited

BALANCE SHEET AS AT 31 ST MARCH 2021

Amount Rs. in lakhs

ASSETS	Notes	As at 31st Mar 2021	As at 31st Mar 2020
1. Non-Current Assets :			
(a) Property, Plant and Equipment	6	1185.85	1179.78
(b) Capital Work In Progress	6	8.61	0.00
(c) Other Intangible assets	6	0.74	0.74
(d) Financial Assets :			
i. Investments	7	41.78	41.79
(e) Other Non- Current Assets	8	127.35	127.35
Total Non -Current Assets		**1364.33**	**1349.66**
2. Current Assets :			
(a) Inventories	9	944.20	910.68
(b) Financial Assets :			
i. Trade Receivables	10	174.10	84.26
ii. Cash and Cash Equivalents	11	34.67	13.48
iii. Bank balance other than (ii) above	12	86.52	68.22
iv. Security Deposits	13	156.28	156.64
(c) Current Tax Assets (Net)	14	14.58	9.70
(d) Other Current Assets	15	258.91	250.20
Total Current Assets		**1669.26**	**1493.18**
TOTAL ASSETS		**3033.59**	**2842.84**
EQUITY AND LIABLITIES			
1. **EQUITY**			
(a) Equity Share Capital	16	333.28	333.28
(b) Other Equity	17	-1545.19	-1411.49
Total Equity		**-1211.91**	**-1078.21**
2. **LIABILITIES:**			
A **Non Current Liabilities :**			
(a) Financial Liabilities			
i. Borrowings	18	108.09	211.96
(b) Deferred tax liabilities (Net)	19	0.00	0.00
Total Non Current Liabilities		**108.09**	**211.96**
B **Current Liabilities :**			
(a) Financial Liabilities			
i. Borrowings Secured	20	0.00	0.00
ii. Borrowings Un Secured	21	772.20	507.70
iii. Trade Payables	22		
- Dues to micro and small enterprises		23.26	14.20
- Dues to other than micro and small enterprises		1922.56	2123.75
iv. Other financial liabilities	23	674.28	375.18
(b) Provisions	24	745.11	688.26
(c) Current Tax Liabilities (Net)	25	0.00	0.00
Total Current Liabilities		**4137.41**	**3709.09**
TOTAL EQUITY AND LIABILITIES		**3033.59**	**2842.84**

Significant Accounting Policies Note No.5

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

BALAKRISHNA S
Managing Director &
Chief Executive Officer

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer

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 : October 9, 2021

Sri Lakshmi Saraswathi Textiles (Arni) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

			Amount Rs. in lakhs	
	Particulars	**Note No.**	**31st Mar 2021**	**31st Mar 2020**
	INCOME:			
I	Revenue from Operations	26	8601.65	9253.81
II	Other Income	27	9.38	17.11
III	**Total Income (I + II)**		**8611.03**	**9270.92**
IV	**EXPENSES:**			
	Cost of materials consumed	28	5020.93	6298.24
	Purchase of Stock-in-Trade	29	34.56	51.58
	Changes in inventories of work-in-process	30	27.39	13.91
	Changes in inventories of finished goods	31	0.78	-117.56
	Employee benefits expense	32	1334.93	1540.54
	Finance costs	33	238.95	170.11
	Depreciation	6	158.02	141.64
	Other expenses	34	1929.16	2293.74
	Total Expenses (IV)		**8744.72**	**10392.20**
V	Profit / (Loss) before exceptional items and tax (III - IV)		**-133.69**	**-1121.28**
VI	Exceptional Items (+) / (-)	35	0.00	0.00
VII	**Profit / (Loss) before tax (V-VI)**		**-133.69**	**-1121.28**
VIII	**Tax expense**			
	a. Current Tax		0.00	0.00
	b. Deferred Tax		0.00	0.00
	c. Prior Yearsô Tax Charge		0.00	0.00
			0.00	0.00
IX	Profit / (Loss) for the year from Continuing Operations(VII-VIII)		-133.69	-1121.28
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)		-133.69	-1121.28
XIV	**Other Comprehensive income**			
	(i) Re measurement of defined benefit plans		0.00	0.00
	ii) Equity instrument through other comprehensive income		-0.01	-0.04
	(iii) Income tax (expenses)/savings		0.00	0.00
XV	**Total other comprehensive income**		-0.01	-0.04
XVI	**Total comprehensive income for the period (XIII+XV)**		-133.70	-1121.32
	Earning per equity share (for continuing operation)			
	(i) Basic	Rs.	-4.01	-33.65
	(ii) Diluted	Rs.	-4.01	-33.65
	Earning per equity share (for discontinued operation)			
	(i) Basic	Rs.	0	0.00
	(ii) Diluted	Rs.	0	0.00
	Earning per equity share (for discontinued and continuing operation)			
	(i) Basic	Rs.	-4.01	-33.65
	(ii) Diluted	Rs.	-4.01	-33.65

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

BALAKRISHNA S
Managing Director &
Chief Executive Officer

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer

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 : October 9, 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2021

	Amount Rs. in lakhs	
	2020-21	2019-20
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(133.69)	(1,121.28)
Adjustments for :		
Add :- Depreciation	158.02	141.64
Finance Expenses	238.95	170.11
	263.28	(809.53)
(Less) / Add :- (Profit) / Loss on sale of assets	-	(3.85)
Interest received	(8.68)	(11.73)
Operating Profit before Working Capital Changes	254.60	(825.11)
Adjustments for :-		
(Increase)/ Decrease in Inventories	(33.52)	(74.99)
(Increase)/ Decrease in Receivables	(89.84)	223.60
(Increase)/ Decrease in other financial assets	0.36	89.46
(Increase)/ Decrease in other current assets	(8.71)	(72.32)
Increase/(Decrease) in Trade payable	(192.13)	457.68
Increase/(Decrease) in other financial liabilities	255.95	118.78
Cash Generated from Operations	186.71	(82.90)
Direct taxes paid	(4.88)	(1.89)
NET CASH FROM OPERATING ACTIVITIES (a)	181.83	(84.79)
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets and other Capital expenses	(172.70)	(237.38)
Sale of Fixed assets	-	5.45
Sale/Purchase of shares	-	-
Increase/(Decrease) Bank deposit	(18.30)	(21.99)
Interest received	8.68	11.73
NET CASH FROM INVESTING ACTIVITIES (b)	(182.32)	(242.19)
C.CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease)/ Increase in Working Capital Bank Finance	-	-
Proceeds Unsecured Loans and other Loans	264.50	272.50
Proceeds secured loan	-	200.00
Repayment of vehicle loan	(3.87)	(7.89)
Finance Expenses	(238.95)	(170.11)
NET CASH FROM FINANCING ACTIVITIES (c)	21.68	294.50
Net Change in Cash and Cash Equivalent (a+b+c)	21.19	(32.48)
Cash and Cash Equivalent as at 1st April - 2020 (2019)	13.48	45.96
Cash and Cash Equivalent as at 31st March - 2021 (2020)	**34.67**	**13.48**

BALAKRISHNA S
Managing Director &
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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 : October 9, 2021

Sri Lakshmi Saraswathi Textiles (Arni) Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2021

A. EQUITY SHARE CAPITAL

Rs. in Lakhs

As at 1st April 2019	333.28
Changes in equity share capital	0
As at 31st March 2020	333.28
Changes in equity share capital	0
As at 31st March 2021	333.28

B. OTHER EQUITY

Amount Rs. in lakhs

PARTICULARS	Reserves and Surplus			Items of OCI	Total other equity
	Securities premium	General reserve	Retained earnings	FVTOCI - equity investments	
Balance at 1 April 2019	443.42	1560.57	-2294.21	0.05	-290.17
Add:Profit for the financial year 2019-20	0.00	0.00	-1121.28	0.00	-1121.28
Add:Other comprehensive income	0.00	0.00	0.00	-0.04	-0.04
Total Comprehensive income	443.42	1560.57	-3415.49	0.01	-1411.49
Less:Transfer to retained earnings	0.00	0.00	0.00	0.00	0.00
Add:Transfer from OCI	0.00	0.00	0.00	0.00	0.00
Less:Transfer to General reserve	0.00	0.00	0.00	0.00	0.00
Add:Transfer from Retained earnings	0.00	0.00	0.00	0.00	0.00
Balance at 31st March 2020	443.42	1560.57	-3415.49	0.01	-1411.49
Add:Profit for the financial year 2020-21	0.00	0.00	-133.69	-0.01	-133.70
Add:Other comprehensive income	0.00	0.00	0.00	0.00	0.00
Total Comprehensive income	443.42	1560.57	-3549.18	0.00	-1545.19
Less:Transfer to retained earnings	0.00	0.00	0.00	0.00	0.00
Add:Transfer from OCI	0.00	0.00	0.00	0.00	0.00
Less:Transfer to General reserve	0.00	0.00	0.00	0.00	0.00
Add:Transfer from Retained earnings	0.00	0.00	0.00	0.00	0.00
Balance at 31st March 2021	443.42	1560.57	-3549.18	0.00	-1545.19

BALAKRISHNA S
Managing Director &
Chief Executive Officer

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer

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 : October 9, 2021

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 companyôs 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 31.03.2021 were approved and adopted by Board of Directors of the Company in its meeting held on 9th October 2021.

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

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 companyôs 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.

5.6 Revenue Recognition

i) Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
ii) Sale of products is recognized when the significant risk and reward of ownership of the goods have been passed to the buyer. Revenue is measured at fair value of the consideration received or receivable, after deduction of any taxes or duties collected on behalf of the government which are levied on sales such as VAT, GST, etc.
iii) Dividend income, if any, is recognized when the companyôs 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 employeeôs basic salary. There are no other obligation other than the above defined contribution plan.
iii) Defined Benefit Plan.

Gratuity:

a. Companyôs 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. Companyôs 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.

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 ñOther operating revenueò or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under ñOther Financial Assetsò 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 ñOther Financial Assetsò
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.

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 ñother Comprehensive Incomeò or directly in ñEquityò 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.

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.

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.

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

(i) Property, Plant and Equipment, Intangible Assets and Investment Properties
The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation/ 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 managementôs 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.

NOTES FORMING PART OF BALANCE SHEET AS AT31 ST MARCH 2021

Property, Plant, Equipment and Other Intangible Assets

For 2020-21

NOTE : 06

Amount Rs. In lakhs

Particulars	Gross Block				Accumulated Depreciation				NET BLOCK	
	Balance as at 1st April 20 20	Additions	Deletions	Balance as at 31st March 2021	Balance as at 1st April 20 20	Depreciation charge for the year	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	0.00	0.00	22.87	22.87
Buildings	1144.75	1.76	0.00	1146.51	897.89	21.06	0.00	918.95	227.56	246.86
Plant and Machinery	6588.22	155.59	0.00	6743.81	5742.37	122.68	0.00	5865.05	878.76	845.85
Electrical Installation	325.50	1.66	0.00	327.16	305.04	1.78	0.00	306.82	20.34	20.46
Furniture, Fixtures	165.68	5.08	0.00	170.76	155.39	2.65	0.00	158.04	12.72	10.29
Other Assets	24.34	0.00	0.00	24.34	17.17	2.96	0.00	20.13	4.21	7.17
Vehicles	133.60	0.00	0.00	133.60	108.16	6.89	0.00	115.05	18.55	25.44
Live Stock	0.84	0.00	0.00	0.84	0.00	0.00	0.00	0.00	0.84	0.84
TOTAL - CURRENT YEAR TANGIBLE ASSETS	8405.80	164.09	0.00	8569.89	7226.02	158.02	0.00	7384.04	1185.85	1179.78
2 - Capital Work In Progress	0.00	8.61	0.00	8.61	0.00	0.00	0.00	0.00	8.61	0.00
TOTAL - Capital Work In Progress	0.00	8.61	0.00	8.61	0.00	0.00	0.00	0.00	8.61	0.00
3- Intangible Assets Computer Software	14.75	0.00	0.00	14.75	14.01	0.00	0.00	14.01	0.74	0.74
TOTAL- CURRENT YEAR INTANGIBLE ASSETS	14.75	0.00	0.00	14.75	14.01	0.00	0.00	14.01	0.74	0.74
Grand Total (Current year)	**8420.55**	**172.70**	**0.00**	**8593.25**	**7240.03**	**158.02**	**0.00**	**7398.05**	**1195.20**	**1180.52**

NOTES FORMING PART OF BALANCE SHEET AS AT31 ST MARCH 2020
Property, Plant, Equipment and Other Intangible Assets

For 2019-20

NOTE : 06

Amount Rs. In lakhs

Particulars	Gross Block				Accumulated Depreciation				NET BLOCK	
	Balance as at 1st April 201 9	Additions	Deletions	Balance as at 31st March 2020	Balance as at 1st April 201 9	Depreciation charge for the year	On disposals	Balance as at 31st March 2020	WDV as on 31st March 2020	WDV as on 1st April 2019
1. Property, Plant and Equipment										
Land	22.87	0.00	0.00	22.87	0.00	0.00	0.00	0.00	22.87	22.87
Buildings	1131.13	13.62	0.00	1144.75	875.70	22.19	0.00	897.89	246.86	255.43
Plant and Machinery	6415.66	215.49	42.93	6588.22	5684.11	99.97	41.71	5742.37	845.85	731.55
Electrical Installation	324.60	0.90	0.00	325.50	302.76	2.28	0.00	305.04	20.46	21.84
Furniture, Fixtures	165.48	0.20	0.00	165.68	153.49	1.90	0.00	155.39	10.29	11.99
Other Assets	17.17	7.17	0.00	24.34	12.07	5.10	0.00	17.17	7.17	5.10
Vehicles	141.18	0.00	7.58	133.60	105.16	10.20	7.20	108.16	25.44	36.02
Live Stock	0.84	0.00	0.00	0.84	0.00	0.00	0.00	0.00	0.84	0.84
TOTAL - CURRENT YEAR TANGIBLE ASSETS	8218.93	237.38	50.51	8405.80	7133.29	141.64	48.91	7226.02	1179.78	1085.64
2 - Capital Work In Progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3- Intangible Assets Computer Software	14.75	0.00	0.00	14.75	14.01	0.00	0.00	14.01	0.74	0.74
TOTAL- CURRENT YEAR INTANGIBLE ASSETS	14.75	0.00	0.00	14.75	14.01	0.00	0.00	14.01	0.74	0.74
Grand Total (Current year)	**8233.68**	**237.38**	**50.51**	**8420.55**	**7147.30**	**141.64**	**48.91**	**7240.03**	**1180.52**	**1086.38**

NON CURRENT ASSETS

7 INVESTMENT	Amount Rs. in lakhs	
Name of the Company	**As at 31st Mar 2021**	**As at 31st Mar 2020**
INVESTMENT IN EQUITY INSTRUMENT		
Non Current Investments		
Quoted Investment carried at FVTOCI (i) 5000(5000 shares as on 1st April 2020) Equity shares of Empee Sugars and Chemicals Ltd. ***(Quoted investment cost Rs.35,000*** ***Quoted investment Market Value Rs. 0)***	**0.00**	0.00
Sub Total (a)	**0.00**	**0.00**
Unquoted Investment carried at FVTOCI		
(i) 359563 (359563 shares as on 1st April 2020) Equity shares of Gamma Green Power Pvt. Ltd. (Cost Rs.3595630)	**35.96**	35.96
(ii) 100 (100 shares as on 1st April 2020) Equity shares of TCP Power Ltd. (Cost Rs.47000)	**0.82**	0.83
(iii) 50000 (50000 shares as on 1st april 2020) shares at Rs.10 each Equity shares of Dhanalakshmi Srinivasan Sugars Ltd.(Cost Rs.500000)	**5.00**	5.00
Sub Total (b)	**41.78**	**41.79**
Total Carrying Value	**41.78**	**41.79**

8 OTHER NON CURRENT ASSETS

	Amount Rs. in lakhs	
Particulars	**As at 31st Mar 2021**	**As at 31st Mar 2020**
(i) MAT credit Entitlement	**105.95**	105.95
(ii) Capital Advances	**21.40**	21.40
Total	**127.35**	**127.35**

CURRENT ASSETS

9 INVENTORIES

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
(a) Raw Materials		
(i) Cotton	161.14	154.15
(ii) Face Mask Fabric	16.72	0.00
(iii) Polyester Staple Fibre	106.96	72.06
	284.82	226.21
(b) Stock-in-Process	221.21	248.60
(c) Finished Goods		
(i) Yarn	332.41	373.47
(ii) Face Mask Fabric	40.33	0.00
(iii) Salable waste	8.67	8.73
	381.41	382.20
(d) Stock-in-trade	0.00	0.00
(e) Stores and Spares	56.76	53.67
Total	**944.20**	**910.68**

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

10 TRADE RECEIVABLES

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Trade Receivables		
(a) Secured, considered good	0.00	0.00
(b) Unsecured considered good	174.10	84.26
(c) Receivable with significant increase in credit risk	0.00	0.00
(d) Receivable which are credit impaired	0.00	0.00
Total	**174.10**	**84.26**

11 CASH AND CASH EQUIVALENTS

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
(a) Cash on hand	**23.31**	1.38
(b) Balances with Banks	**11.36**	12.10
Total	**34.67**	**13.48**

12 BANK BALANCES OTHER THAN (11) ABOVE

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
(a) **Others**		
(i) Term deposits with bank held by banks as margin money	**85.12**	66.82
(ii) Deposit in Unpaid Dividend Account	**1.40**	1.40
Total	**86.52**	**68.22**

13 SECURITY DEPOSITS

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Current		
Security Deposits	**156.28**	156.64
Total	**156.28**	**156.64**

14 CURRENT ASSETS (Net)

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
(a) Provision for current tax unpaid	**0.00**	0.00
(b) Less: Tax paid pending adjustment	**14.58**	9.70
Total	**14.58**	**9.70**

15 OTHER CURRENT TAX ASSETS

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
(i) Advances to Supplier/Contractors	182.88	195.75
(iI) Prepaid Expenses	18.53	11.25
(iii) CGST Input Credit	14.67	17.91
(iv) CST Advance paid	0.00	0.00
(v) VAT Advance Paid	0.10	0.10
(vi) SGST Input Credit / RCM March 21	0.58	0.32
(vii) Travelling and Wages Advances	37.83	23.86
(viii) Interest Accured and Receivable	0.65	0.62
(ix) Duty Drawback Claim Receivable	3.67	0.39
Total	**258.91**	**250.20**

16 - EQUITY SHARE CAPITAL

Particulars	31st March 2021		31st March 2020	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Authorised				
Equity Shares of Rs.10 each	**1,50,00,000**	**15,00,00,000**	1,50,00,000	15,00,00,000
Preference share of Rs. 10 each	**50,00,000**	**5,00,00,000**	50,00,000	5,00,00,000
Total Authorised Share Capital	**2,00,00,000**	**20,00,00,000**	**2,00,00,000**	**20,00,00,000**
Issued,Subscribed and fully paid up				
Equity shares of Rs.10 each	**33,32,750**	**3,33,27,500**	**33,32,750**	**3,33,27,500**

Note: A

Terms / Rights attached to Equity Shares

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

Note: B Reconciliation of No. of shares outstanding

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

	As at 31st March 2021		31st March 2020	
	No. of shares	Value Rs.	No. of shares	Value Rs.
Reconciliation of the shares outstanding at the beginning and at end of the year	**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 2021		31st March 2020	
	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 preceeding 31st March 2021, 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 31-03-2021

17 - OTHER EQUITIES
RESERVES AND SURPLUS

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
a) General reserve	1560.57	1560.57
b) Securities Premium Reserve	443.42	443.42
c) FTVOCI Reserve	0.00	0.01
d)Retained earnings	-3549.18	-3415.49
Total	**-1545.19**	**-1411.49**

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 actaul 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 2021	As at 31st Mar 2020
Non-Current		
Secured		
Note (a)		
Vehicle Loan from IOB	**8.09**	11.96
Note (b)		
Term Loan from NBFC	**100.00**	200.00
TOTAL	**108.09**	**211.96**

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

19 DEFERRED TAX LIABILITIES / (ASSETS)

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
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 2021	As at 31st Mar 2020
Deferred Tax Liability		
i) Tax Liability on difference between book depreciation and depreciation under the Income Tax Act 1961.	**108.05**	105.08
Deferred Tax Assets		
i) Tax effect on timing differences of certain expenses and carried over losses	**(1211.12)**	(1176.29)
Deferred Tax Liability/(assets)	**(1103.07)**	**(1071.21)**

THE COMPANY DOES NOT RECKON DEFFERED TAX ASSET

20- CURRENT BORROWINGS

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Borrowings Secured		
-From banks		
(a) Indian Overseas Bank		
(i) Open Loan	**0.00**	0.00
(b) State Bank of India		
(i) Open Loan	**0.00**	0.00
Total	**0.00**	**0.00**

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, exculding 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).

21 -BORROWINGS - UNSECURED

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
(i) Loan from related parties repayable on demand	**771.20**	506.70
(ii) Deposits from Consignment Agents	**1.00**	1.00
Total	**772.20**	**507.70**

22 -TRADE PAYABLES

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Due to micro and small enterprises	**23.26**	14.20
Due to other than micro and small enterprises	**1922.56**	2123.75
Total	**1945.82**	**2137.95**

23 - OTHER FINANCIAL LIABILITIES

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
(a) Current maturity of Vehicle Loan (Secured) and Other Loan	111.32	11.32
(b) Advance from buyers and other Credits	45.67	9.34
(c) Un-paid dividends	1.40	1.40
(d) Interest accrued and due on borrowings	143.43	66.66
(e) Disputed deemed Demand charges	13.79	11.31
(f) Creditors for expenses	358.67	275.15
Total	**674.28**	**375.18**

24 - PROVISIONS

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
A) Provision for Employee Benefits	735.38	675.48
B) Provision for Hank Yarn Obligation	0.20	0.20
c) Provision for TDS	8.95	8.21
d) Provision for GST/VAT	0.58	4.37
Total	**745.11**	**688.26**

25 - CURRENT TAX LIABILITIES (Net)

Amount Rs. in lakhs

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Current Tax Liabilities		
(a) Current year Tax Expenses		
(b) Less: Tax paid pending adjustment		
Current Tax Liability (NET)	**0.00**	**0.00**

26 - REVENUE FROM OPERATION

Amount Rs. in lakhs

PARTICULARS	2020-21	2019-20
(a) Sales of Products		
i) Yarn Sales	9134.91	9978.45
ii) Face Mask Sales	77.96	ð
iii) Waste Sales	98.62	77.69
iv) Miscellaneous Sales	1.73	3.48
Subtotal Inclusive of GST	**9313.22**	**10059.62**
Less : GST	716.21	812.93
Subtotal (a)	**8597.01**	**9246.69**
(b) Other Operating Revenues		
(i) Duty drawback claim received	4.64	7.12
Subtotal (b)	**4.64**	**7.12**
REVENUE FROM OPERATION (a+b)	**8601.65**	**9253.81**

27 - OTHER INCOME

Amount Rs. in lakhs

PARTICULARS	2020-21	2019-20
(i) Interest income	8.68	11.73
(ii) Rent from Employees Quarters	0.47	0.65
(iii) Insurance claim Received	0.23	0.83
(iv) Job work charges	0.00	0.05
(v) Profit on Sale of Fixed Assets	0.00	3.85
Total	**9.38**	**17.11**

28 - COST OF MATERIALS CONSUMED

Amount Rs. in lakhs

	2020-21	2019-20
Opening Stock		
Cotton stock	154.15	184.75
Polyster Staple Fibre	72.06	82.01
	226.21	266.76
Add: Purchases		
Cotton	3182.18	3665.05
Face Mask Fabric	94.72	0.00
Polyster Staple Fibre	1682.98	2462.03
	4959.88	6127.08
Less: Closing Stock		
Cotton	161.14	154.15
Face Mask Fabric	16.72	0.00
Polyster Staple Fibre	106.96	72.06
	284.82	226.21
Raw Material Consumed	**4901.27**	**6167.63**
Packing Materials Consumed	119.66	130.61
Cost of materials consumed	**5020.93**	**6298.24**

29 - PURCHASE OF STOCK- IN-TRADE Amount Rs. in lakhs

PARTICULARS	2020-21	2019-20
Yarn purchase	34.56	51.58
Total	**34.56**	**51.58**

30 - CHANGES IN INVENTORIES OF WORK-IN-PROCESS Amount Rs. in lakhs

PARTICULARS	2020-21	2019-20
Work-in-Process - Opening stock	248.60	262.51
Work-in-Process - Closing stock	221.21	248.60
Sub Total	**27.39**	**13.91**

31 - CHANGES IN INVENTORIES OF FINISHED GOODS Amount Rs. in lakhs

PARTICULARS	2020-21	2019-20
Finished Goods - Opening stock	382.19	264.63
Finished Goods - Closing stock	381.41	382.19
Sub Total	**0.78**	**-117.56**

32 - EMPLOYEE BENEFITS EXPENSE Amount Rs. in lakhs

PARTICULARS	2020-21	2019-20
(i) Salaries Wages and Bonus	1085.53	1219.75
(ii) Contribution to Employees PF & Family Pension Fund	61.06	81.28
(iii) Provision for contribution to Gratuity Fund	64.44	93.79
(iv) Workmen & Staff Welfare Expenses	73.41	84.37
(v) Managerial Remuneration (Ref.Annex.I)	50.49	61.35
Total	**1334.93**	**1540.54**

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PARTICULARS	2020-21	2019-20
(a) Salary	37.31	43.53
(b) Contribution to PF	2.51	3.12
(c) Provision for Bonus	1.95	2.20
(d) Medical Reimbursement	1.78	1.77
(e) Provision for Gratuity	0.84	5.78
(f) Directors Sitting Fees	6.10	4.95
Total	**50.49**	**61.35**

33 - FINANCE COSTS

PARTICULARS	2020-21	2019-20
Finance Expenses		
(a) Interest on Term Loan from Banks	1.95	2.49
(b) Interest on Term Loan from NBFC	28.00	7.00
(c) Interest on working capital borrowing from banks	39.15	27.67
(d) Interest- others	144.18	110.88
(e) Interest- MSME	1.61	1.48
(f) Bank Charges	24.62	23.58
(g) Foreign Exchange Rate Fluctuation	-0.56	-2.99
Total	**238.95**	**170.11**

34 - OTHER EXPENSES

Amount Rs. in lakhs

PARTICULARS	2020-21	2019-20
MANUFACTURING AND OTHER OPERATING EXPENSES		
i) Power and fuel	1296.90	1578.18
ii) Repairs & Maintenance		
(a) Building	26.97	26.84
(b) Machinery	224.70	284.71
(c) Others	11.49	7.05
Total (a)	**1560.06**	**1896.78**
ADMINISTRATION AND OTHER CHARGES		
(a) Insurance	10.55	11.30
(b) Vehicle Maintenance	37.71	46.02
(c) Rates,Renewal & Taxes	10.45	9.31
(d) Other Administrative Expenses	104.02	116.37
Total (b)	**162.73**	**183.00**
Selling Expenses		
(a) Commission & Brokerage on Yarn Sales	56.88	48.46
(b) Godown Rent	0.00	0.00
(c) Freight & Other selling expenses	149.49	165.50
Total (c)	**206.37**	**213.96**
GRAND TOTAL (a+b+c)	**1929.16**	**2293.74**

35 - EXCEPTIONAL ITEMS

Amount Rs. in lakhs

PARTICULARS	2020-21	2019-20
NIL	**0.00**	0.00
	0.00	**0.00**

NOTE NO. 36

DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021.

i) Contingent Liabilities and Commitments not provided for

Details	(Rs.in lakhs)	
	As at 31.03.2021	**As at 31.03.2020**
a) Contingent Liabilities		
Contingent Liabilities not provided for in respect of		
1. Export Bills Discounted under irrevocable Letters of Credit issued by Foreign Banks	**49.33**	0.00
2. Disputed Income Tax Liabilities	**0.00**	0.00
3. Disputed Contribution to Employees State Insurance Corporation	**0.00**	0.00
b) Commitments		
1. Estimated amounts of contracts remaining to be executed on capital accounts not provided for	**0.00**	0.00
2. Other commitments:		
Liabilities on Letters of Credit issued for capital goods.	**0.00**	0.00
Liabilities on Letters of Credit issued for others	**0.00**	0.00

ii) Gratuity

The company has not funded gratuity liability to Employees Gratuity Fund as per actuarial valuation for the last 10 years and the total amount to be funded is Rs.507.44 Lakhs. (As on 31.03.2020 Rs.487.51 Lakhs).

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

S.No	Particulars	(Rs. in Lakhs)	
		31-03-2021	**31-03-2020**
(a)	The principal amount	**21.80**	12.01
(b)	The interest due thereon remaining unpaid	**1.46**	2.19
(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	**24.41**	29.95
(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	**1.61**	1.48
(e)	The amount of interest accrued and remaining unpaid at the end of accounting year	**1.45**	2.19
(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**	0.95

iv) Deposit received from Director

Particulars	(Rs.in Lakhs)	
	2020-21	2019-20
Opening balance	506.70	234.20
Received During the year	293.50	302.50
Re-paid during the Year	29.00	30.00
Closing Balance	771.20	506.70

v) Details of AuditorsôRemuneration:

Details	2020-21 Rs.in lakhs	2019-20 Rs.in lakhs
Statutory Audit	**2.75**	2.50
Total	**2.75**	**2.50**

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

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

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

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

Details	31/03/2021 Rs.in lakhs	31/03/2020 Rs.in lakhs
a) Defined Contribution Plan Employers Contribution to provident Fund	52.23	68.76
b) Gratuity Plan (funded)		
Present value of the obligation at the beginning of the period	498.68	421.75
Interest Cost	32.86	31.58
Current service cost	23.80	20.90
Past Service Cost	0.00	0.00
Less: Benefits paid (if any)	0.00	(12.38)
Actuarial (gain)/loss	(44.20)	36.83
Present value of the obligation at the end of the period	511.14	498.68
Actuarial Assumptions		
Discount Rate (per annum)	6.79%	6.59%
Rate of increase in compensation levels	5.00%	5.00%
Attrition rate	2.00%	2.00%
Expected rate of return on plan Assets	6.79%	6.59%

ix) Earning Per Share:

Details		2020-21 Rs.in lakhs	2019-20 Rs.in lakhs
Net Profit/ Loss for the period	(A)	-133.69	-1121.28
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)	- 4.01	-33.65
Reconciliation of weighted average number of equity shares			
No.of shares at the beginning of the year		33,32,750	33,32,750
No.of shares at the end of the year		33,32,750	33,32,750
Adjusted weighted average No.of equity shares		33,32,750	33,32,750

x) Related party transactions:

As per the IND AS 24 ï Related party transactions, the companyôs 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. R. Sambasivan	Independent Director
6.	Smt. Sivarani J	Director

b) Relatives of Key Managerial Personnel

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

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

1. 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

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

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

i) Payments made to Directors

Key Managerial personnel	**2020-21 Rs.in lakhs**	**2019-20** Rs.in lakhs
Sri. J.M.Grover - Independent Director	1.98	2.10
Sri. R. Sambasivan - Independent Director	2.14	1.95
Smt. Sivarani J - Director	1.98	0.90

ii) Remuneration to Key Management Personnal

Key Managerial personnel	**2020-21 Rs.in lakhs**	**2019-20** Rs.in lakhs
Sri.Balakrishna S, Managing Director & CEO	25.29	33.31
Sri.R.Padmanaban, Joint Managing Director & CFO	19.09	23.09
Smt.Geetha Sundaraghavan, Company Secretary	13.61	15.33
Relatives of KMP		
Sri. R.Thirumalai, Production Manager	14.73	16.05
Sri. R.Rajagopal, Administrative Manager	6.03	6.57
Sri. Srish Jayender Balakrishna, General Manager - Marketing	4.88	6.52

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

Amount taken from Key Management Personnel

Particulars	**2020-21 Rs.in lakhs**	**2019-20** Rs.in lakhs
i) Amount taken from Sri. R.Padmanaban, Joint Managing Director / Chief Financial Officer.		
a) Outstanding as on 31st March	(771.20)	(506.70)
b) Maximum amount outstanding during the year	(781.20)	(506.70)
c) Rate of Interest ï Payable	11.00%	11.00%
d) Interest	80.60	40.58

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

Key managerial personnel	For 2020-21				For 2019-20			
	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	**23.06**	**1.49**	**0.74**	**25.29**	28.08	1.86	3.37	33.31
Sri. R. Padmanaban Joint Managing Director & CFO	**17.96**	**1.02**	**0.11**	**19.09**	19.41	1.26	2.42	23.09
Smt.Geetha Sundararaghavan, Company Secretary	**12.89**	**0.72**	**Note No.3**	**13.61**	14.33	1.01	Note No.3	15.34

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.

xi) Disclosure of Fair value measurements

(a) Financial Instuments by category:-

The following table provides categorization of all financial instruments

Particulars	Amortised Cost Rs.in lakhs	FVTPL	FVTOCI Rs.in lakhs	Carrying Amount Rs.in lakhs	Fair Value Rs.in lakhs
As at 31-03-2021					
Financial Assets					
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
Financial Liabilities					
Borrowings	880.29	-	-	880.29	880.29
Trade Payables	1945.82	-	-	1945.82	1945.82
Other financial liabilities	674.28	-	-	674.28	674.28
As at 31-03-2020					
Financial Assets					
Investments	41.78	-	0.01	41.79	41.79
Trade Receivables	84.26	-	-	84.26	84.26
Cash and Cash Equivalents	81.70	-	-	81.70	81.70
Other Financial Assets	156.64	-	-	156.64	156.64
Financial Liabilities					
Borrowings	719.66	-	-	719.66	719.66
Trade Payables	2137.95	-	-	2137.95	2137.95
Other financial liabilities	375.18	-	-	375.18	375.18

(b) Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by Valuation technique:
Level 1: Quoted (Unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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

Particulars	Level 1 (Rs.in lakhs)	Level 2 (Rs.in lakhs)	Level 3 (Rs.in lakhs)	Total (Rs.in lakhs)
Financial Instruments at FVTOCI				
Investment in listed equity securities				
As at 31-03-2021	0.00	-	-	0.00
As at 31-03-2020	0.00	-	-	0.00
Investment in unlisted equity securities				
As at 31-03-2021	-	-	41.78	41.78
As at 31-03-2020	-	-	41.79	41.79

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

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

xii) Financial Risk Management

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Companyõs 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 Companyõs 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 Companyõs risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The company has the following financial risks:

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

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

Credit Risk

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

Receivables

The Companyõs 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 companyõs 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:

(Rs.in lakhs)

Particulars		
	31-03-2021	**31-03-2020**
Working capital and other facilities		
Expiring within one year	Nil	Nil
Expiring beyond year	Nil	Nil

Maturities of Financial Liablilities

Nature of Financial Liability	< 1 Year (Rs.in lakhs)	1-5 Years (Rs.in lakhs)	> 5 Years (Rs.in lakhs)	Total (Rs.in lakhs)
As at 31-03-2021				
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
As at 31-03-2020				
Borrowing from Banks & NBFC	11.31	211.96	Nil	223.27
Trade payable	2137.95	Nil	Nil	2137.95
Other financial Liability	363.86	Nil	Nil	363.86
Unsecured Borrowing	507.70	Nil	Nil	507.70

Foreign Currency Risk

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

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

The company's exposure to foreign currency risk (Un –hedged) as detailed below:

Currency	Trade Payables	Trade and other Receivables	Balance with Banks
In USD			
As at 31-03-2021	Nil	Nil	Nil
As at 31-03-2020	Nil	Nil	Nil
In EURO			
As at 31-03-2021	Nil	Nil	Nil
As at 31-03-2020	Nil	Nil	Nil

Risk sensitivity on foreign currency fluctuation

Foreign Currency	31-03-2021		31-03-2020	
	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.

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	31-03-2021 Rs.in Lakhs	31-03-2020 Rs.in Lakhs
Variable rate Borrowings	**Nil**	Nil

Sensitivity on Interest rate fluctuation

Incremental Interest Cost works out to	31-03-2021 Rs.in Lakhs	31-03-2020 Rs.in Lakhs
1% Increase in Interest rate	**Nil**	Nil
1% Decrease in Interest rate	**Nil**	Nil

xiii) Capital Management

For the purpose of the Companyôs 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 Companyôs capital management is to maximize the Shareholdersôwealth. 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	31-03-2021 Rs.in Lakhs	31-03-2020 Rs.in Lakhs
Short Term Borrowings	**883.52**	**519.02**
Less:- Cash and Cash Equivalents	121.19	81.70
Net Debt(A)	762.33	437.32
Equity Share Capital	333.28	333.28
Other Equity	(1545.19)	(1411.48)
Total Equity (B)	(1211.91)	(1078.20)
Total Capital Employed(C)= (A)+(B)	(449.58)	(640.88)
Capital Gearing Ratio (A)/ (C)	-NA	-NA

In order to achieve this overall objective, the Companyôs 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 31-03-2021 and 31-03-2020.

Note No. 37

Impact of Lockdown imposed to contain spread of COVID-19

Due to lock down imposed to control the spread of COVID-19 the Mill could not function for nearly 50 days during the year. Since the loss of working days was in the first three months the loss incurred was minimum. The expenses incurred by the company to compact COVID-19 was not significant. As there is dislocation of manpower, the company is facing problems to deploy manpower of required skill affecting capacity utilization.

/ BY ORDER OF THE BOARD /

BALAKRISHNA S
Managing Director &
Chief Executive Officer

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer

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 : October 9, 2021

If undelivered please return to

Sri Lakshmi Saraswathi Textiles (Arni) Limited
New No.16, Krishnama Road,
Nungambakkam, Chennai - 600 034.

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
Registered Office: 16,Krishnama Road, Nungambakkam, Chennai - 600 034
CIN L17111TN1964PLC005183
Telephone No. 044 - 28277344, Email: slst@slstarni.com, Website: www.slstindia.com

Statement of Unaudited Financial Results for the Third Quarter / Nine Months ended 31st December 2021

(Rs.in.Lakhs)

S.No	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.21 Unaudited	30.09.21 Unaudited	31.12.20 Unaudited	31.12.21 Unaudited	31.12.20 Unaudited	31.03.21 Audited
1	INCOME FROM OPERATIONS						
	a) Net sales/Income from operations	4062.24	3659.87	2616.25	10855.25	5340.04	8600.90
	b) Other Income	1.27	2.05	1.92	4.64	5.15	10.13
	Total Income from operations	4063.51	3661.92	2618.17	10859.89	5345.19	8611.03
2	Expenses						
	a) Cost of material consumed	2484.33	2284.86	1557.05	6683.33	3185.72	5020.93
	b) Purchases of stock in trade	0.00	0.15	0.00	0.15	34.55	34.56
	c) Changes in inventories of work-in-process	-61.78	-48.07	-27.17	-135.74	9.96	27.39
	d) Changes in inventories of finished goods	135.03	13.53	-32.10	68.59	129.01	0.78
	e) Employee benefit expenses	459.26	436.72	426.88	1301.79	934.51	1334.93
	f) Finance Cost	91.03	67.84	85.39	227.37	190.43	238.95
	g) Power & Fuel	518.43	478.47	392.11	1463.07	854.66	1296.91
	h) Depreciation and amortisation expenses	38.13	38.15	39.53	111.20	117.61	158.02
	i) Other Expenditure	303.96	285.61	186.26	802.97	413.89	632.25
	Total Expenses	3968.39	3557.26	2627.95	10522.73	5870.34	8744.72
3	Profit / Loss before Exceptional items & Tax (1 - 2)	95.12	104.66	-9.78	337.16	-525.15	-133.69
4	Add/(Less) Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
5	Profit(+)/Loss(-) Before Tax (3 - 4)	95.12	104.66	-9.78	337.16	-525.15	-133.69
6	Tax Expenses						
	a) Current Tax	0.00	0.00	0.00	0.00	0.00	0.00
	b) (Excess)/Short Provision Tax relating to Earlier years	0.00	0.00	0.00	0.00	0.00	0.00
	c) Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00
	Sub Total	0.00	0.00	0.00	0.00	0.00	0.00
7	Net Profit(+)/Loss for the period (5 - 6	95.12	104.66	-9.78	337.16	-525.15	-133.69
8	Other Comprehensive Income (Net of Tax)	0.00	0.00	0.00	0.00	0.00	-0.01
9	Total Comprehensive Income After Tax (7 + 8)	95.12	104.66	-9.78	337.16	-525.15	-133.70
10	Paid-up equity share Capital (Face value of the shares Rs.10/-each)	333.28	333.28	333.28	333.28	333.28	333.28
11	Reserve and Surplus	--	--	--	--	--	-1545.19
12	Earning Per share of Rs.10/- each (in Rs.) Not Annualised)						
	a) Basic Rs.	2.85	3.14	-0.29	10.12	-15.76	-4.01
	b) Diluted Rs.	2.85	3.14	-0.29	10.12	-15.76	-4.01

Note: 1. Figures were regrouped wherever required.
2.Textiles is the only segment of operation of the company.
3. The above unaudited results were reviewed by the Audit Committee in its meeting held on 31st January 2022 and approved by the Board of Directors in the meeting held on 1st February 2022
4. The quarterly results have been subjected to a "Limited Review " by the Auditors of the Company.
5. The Previous period figures have been re-grouped / re-stated wherever necessary.

Place: Chennai
Date : February 1, 2022

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

(D.SHARAT KUMAR)
Member Ship .No.024568
Partner
CHARTERED ACCOUNTANTS

S B S B AND ASSOCIATES CHENNAI Chartered Accountants

for and on behalf of the Board of Directors

(BALAKRISHNA S)
MANAGING DIRECTOR

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED CHENNAI 600 034

S B S B AND ASSOCIATES
Chartered Accountants

LIMITED REVIEW REPORT

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF DIRECTORS OF SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

Introduction

We have reviewed the accompanying statement of Standalone Unaudited Financial results of SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED, ('the Company') for the Third quarter ended 31st December 2021 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review. The financial statement has been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under section 133 of the Companies Act 2013 read with relevant rules issued thereunder.

Scope of Review

We conducted our review of the Statement in accordance with the Standard on Review Engagement ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of chartered Accounts of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited to making inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis for Qualified Opinion

We draw attention to the fact that the accumulated losses was Rs.3549.18 lakhs upto 31st March 2021 and though the Company made a profit of Rs.337.16 lakhs for the Nine months ended 31st December 2021, the net worth remained negative as on 31st December 2021. The statement of profit and loss account also indicates that the company has been incurring net losses for the previous three years. These events indicate that a material uncertainty

S B S B AND ASSOCIATES CHENNAI Chartered Accountants

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Web : www.sbsbca.in

exists that may cast significant doubt on the company's ability to continue as a going concern. However, the company's statement of Unaudited Financial Results for the Nine Months ended as on 31st December 2021 have been prepared using the going concern basis of accounting, based on the opinion of the management that as the company has started making profit and it would generate sufficient profits in the future also.

Qualified Conclusion

Based on our review conducted as above, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the Statement of Unaudited standalone financial results has not been prepared in accordance with recognition and measurement principles laid down in the applicable IND AS specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Chennai
Date : February 1, 2022

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

S B S B AND ASSOCIATES CHENNAI Chartered Accountants

(D.SHARAT KUMAR)
Member Ship .No.024568
Partner
CHARTERED ACCOUNTANTS

UDIN:22024568AAAAAQ2590

Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

RO/MS/SEC-417 /2021-22 February 1, 2022

The Secretary
BSE Limited
25, Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI 400 001

Dear Sir,

Sub: Unaudited quarterly results for the Third Quarter and Nine months ended 31st December 2021 – submission of clarification on the opinion expressed by Auditors in their Limited Review Report.

Ref: Company Code – 521161
ISIN – INE456D01010

The Auditors in their Limited Review Report on the Statement of Unaudited Financial Results for the Third quarter and Nine months ended 31st December 2021, interalia, have reported as under:

Quote

Basis for Qualified Opinion

We draw attention to the fact that the accumulated losses was Rs.3549.18 lakhs upto 31st March 2021 and though the Company made a profit of Rs. 337.16 lakhs for the Nine months ended 31st December 2021, the net worth remained negative as on 31st December 2021. The statement of profit and loss account also indicates that the company has been incurring net losses for the previous three years. These events indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, the company's statement of Unaudited Financial Results for the Nine Months ended as on 31st December 2021 have been prepared using the going concern basis of accounting, based on the opinion of the management that as the company has started making profit and it would generate sufficient profits in the future also.

Unquote

Management's View:

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

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED CHENNAI 600 034

Contd..2...

TGA TRAGERGEMEINSCHAFT FÜR AKKREDITIERUNG GERMAN ASSOCIATION FOR ACCREDITATION GMBH
TÜV SÜD ISO 9001

1. Though the company has incurred loss during the previous years due to adverse conditions prevailing in the industry and net worth has eroded, it continues its business operation to the optimum level. The company, with the favourable change of industrial conditions, is confident of making profits and it started making profit from fourth quarter of 2021-22.

2. In view of the above, the company continues to prepare its Accounts and the Statement of Unaudited Financial Results *using going concern basis of accounting*.

Thanking you,

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

(BALAKRISHNA S)
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
CHENNAI
600 034