
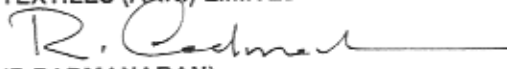


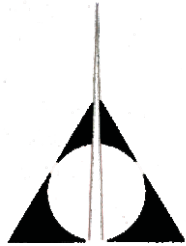


FORM A

**Format of covering letter of the annual audit report to be filed with the
Stock Exchange**

1.	Name of the Company	Sri Lakshmi Saraswathi Textiles (Arni) Limited
2.	Annual financial statements for the year ended	31 st March 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time...../ repetitive...../ since how long period Not Applicable
5.	To be signed by-	
	• CFO	for SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED  (BALAKRISHNA S) WHOLETIME DIRECTOR & CHIEF FINANCE OFFICER
	Wholetime Director	for SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED  (R. PADMANABAN) WHOLETIME DIRECTOR (Technical Director)
	• Auditor of the company	for M/s. S.VISWANATHAN  (CHELLA K. SRINIVASAN) Partner CHARTERED ACCOUNTANTS
	• Audit Committee Chairman	 (J M GROVER)



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

**50 th
Annual Report 2013 - 2014**

ANNUAL REPORT 2013-14



SRI B. RAJAGOPAL NAIDU 1901 - 73
OUR REVERED FOUNDER

Contents

Notice	2
Directors' Report	11
Annexure-I to Directors' Report	14
Annexure-II to Directors' Report	
Report on Management's Discussion & Analysis	16
Annexure-III to Directors' Report	
Report on Corporate Governance	17
Auditors' Report	26
Annexure to Auditors' Report	28
Balance Sheet	30
Profit & Loss Account	31
Cash Flow Statement	32
Notes	34



Sri Lakshmi Saraswathi Textiles (Arni) Limited

BOARD OF DIRECTORS

SRI. BALAKRISHNA S	Wholetime Director
SRI. R.PADMANABAN	Technical Director
SRI. J. M. GROVER	
SRI. R. SAMBASIVAN	

BANKERS

Indian Overseas Bank
Chennai House
Esplanade, Chennai 600 108

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

AUDITORS

Messers S.Viswanathan
17, Bishop Wallers Avenue (West)
Mylapore, Chennai 600 004.

REGISTERED OFFICE

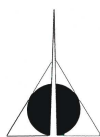
16, Krishnama Road,
Nungambakkam, Chennai 600 034.
Email: slst@vsnl.com
Web: www.slstindia.com

FACTORY

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
Email: cameo@cameoindia.com



Sri Lakshmi Saraswathi Textiles (Arni) Limited

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Company will be held at 02.30 P.M. on Friday, August 1, 2014 at Rani Seethai Hall, 603 Mount Road, Chennai-600 006, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March 2014, the Audited Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Sri Balakrishna S (holding DIN 00084524), who retires by rotation and being eligible, offers himself for reappointment.
4. 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.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. To appoint Sri J M Grover as an Independent Director for a term of 5 years

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri.J M Grover (holding DIN 00084735), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years up to 31st March, 2019.”

7. To appoint Sri R.Sambasivan as an Independent Director for a term of 5 years

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri.R.Sambasivan (holding DIN 02441975), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years up to 31st March, 2019.”

8. To revise the remuneration payable to Sri Balakrishna S, Wholetime Director for the period of 01.04.2014 to 31.03.2015.

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



Sri Lakshmi Saraswathi Textiles (Arni) Limited

“RESOLVED THAT, pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V to the Companies Act 2013 (Corresponding to Sections 269, 198(4), 309(3) and 310 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act 1956), the consent of the company be and is hereby accorded to the revision in remuneration payable to Sri Balakrishna S, Wholetime Director as follows with effect from 01.04.2014 to 31.03.2015.

- a) Salary Rs.90,000/- per month
- b) Allowance of 2/3rd of salary per month.
- c) Bonus as applicable to other employees of the company.

All other terms of remuneration remain the same as passed by a resolution of the shareholders at the 48th AGM of the company held on September 28, 2012.

9. To revise the remuneration payable to Sri R.Padmanaban, Technical Director for the period of 01.04.2014 to 31.03.2015.

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

“RESOLVED THAT, pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V to the Companies Act 2013 (Corresponding to Sections 269, 198(4), 309(3) and 310 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act 1956), the consent of the company be and is hereby accorded to the revision in remuneration payable to Sri R.Padmanaban, Technical Director as follows with effect from 01.04.2014 to 31.03.2015.

- a) Salary Rs.60,000/- per month
- b) Allowance of 2/3rd of salary per month.
- c) Bonus as applicable to other employees of the company.

All other terms of remuneration remain the same as passed by a resolution of the shareholders at the 48th AGM of the company held on September 28, 2012.

10. To give consent to the Board of Directors for borrowings in excess of the aggregate of Paid up capital and free reserves by Special Resolution.

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

“Resolved that in supersession of the ordinary resolution adopted at Extraordinary General Meeting held on December 24, 1993 the consent of the company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act 2013 to the Board of Directors of the company for Borrowing monies for the purpose of the business of the company from time to time even though the monies borrowed together with monies already borrowed by the company (apart from temporary loans obtained from Company’s Bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of the company and its free reserves that is to say reserves not set apart for any specific purpose, provided, however, that the total amount of such borrowings shall not exceed the sum of Rs. 50 crores (Rupees Fifty Crores Only).

For and on behalf of the Board

Place : Chennai
Date : May 29, 2014

(BALAKRISHNA S)
Wholetime Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

NOTE:

1. The statement pursuant to Section 102 of Companies Act 2013, which sets out details relating to Special Business at the meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. The Proxy form duly stamped and executed should be deposited at the Registered Office of the Company atleast forty eight hours before the time fixed for the commencement of the Meeting.
4. Members/ Proxies are requested to bring the attendance slip duly filled in for attending the meeting
5. Members who hold shares in the de-materialised form are requested to bring their depository account number for easier identification of attendance at the meeting
6. The Register of Members and Share Transfer Books of the Company will remain closed from July 25, 2014 to August 1, 2014 (both days inclusive).
7. The ISIN No. allotted to the equity shares of your company for the purpose of de-materialization is **INE456D01010**
8. 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.
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.

10. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 50th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd, (CDSL):

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the Company "Sri Lakshmi Saraswathi Textiles (Arni) Ltd" from the drop down menu and click on "SUBMIT"



Sri Lakshmi Saraswathi Textiles (Arni) Limited

(iv) Now Enter your User ID:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company

Then enter the Captcha Code as displayed and Click on Login.

(v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

(vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

Sequence Number: *Sequence no. has been provided as Sl.No.in the address label"*
(Please note that as per below for Default PAN the sequence number refers to the sequence number given for each member in the ROM file by the RTA.

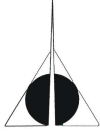
*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. Incase the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. Incase both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

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

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the company “Sri Lakshmi Saraswathi Textiles (Arni) Ltd “ on which you choose to vote.

(xi) On the voting page, you will see Resolution Description and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.

(xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

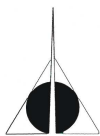
In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

II. The voting period begins at 09.30 AM on 22nd July 2014 and ends at 06.00 PM on 24th July 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date for e-voting) of 30th June, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://www.evotingindia.co.in> under help section or write an email to helpdesk.evoting@cdslindia.com.

IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date for e-voting) of 30th June 2014.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

- V. 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.
- VI. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.slstindia.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company.
11. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
12. Electronic copy of the Notice of the 50th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 50th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Members may also note that the Notice of the 50th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.slstindia.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: slst@vsnl.com.
14. Dividend of Re.1/- per share recommended by the Board, if declared at the AGM, will be paid to those shareholders, holding shares in physical form, whose names appear in the Register of Members as on 24th July 2014 and to those shareholders holding shares in electronic form whose names appear in the beneficiary list provided by NSDL & CDSL on 24th July 2014.
15. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company
16. 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.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

17. Details under Clause 49 of the Listing Agreement with the Stock Exchange 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.
18. Pursuant to the provisions of Sec. 205A and 205C of Companies Act 1956, the dividend for the year 2006-07, which remained unpaid or unclaimed for a period of seven years was transferred to the Investor Education and Protection Fund of the Central Government on 09th April 2014.
19. The Equity Shares of the Company are listed in the following Exchanges:
 - a. Madras Stock Exchange Limited,
Exchange Building
P B No. 183, 11, 2nd Line Beach
CHENNAI 600 001
 - b. Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
MUMBAI 400 023

The company has paid the listing fees for 2014-15 to both the stock exchanges.

20. At this Annual General Meeting, Sri Balakrishna S and Sri R.Padmanaban retire by rotation and being eligible, offer themselves for reappointment.

Sri Balakrishna S, is a Commerce Graduate and holder of Master Degree in Business Administration from Connecticut University, USA. He has been with the company since October 1985 and joined the Board as Director in August 1986.

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

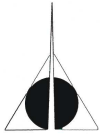
Sri R.Padmanaban is an Engineer and has been with the Company since October 2000.

Details of other Directorships / Committee memberships held by him - Nil

For and on behalf of the Board

Place : Chennai
Date : May 29, 2014

(BALAKRISHNA S)
Wholetime Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

Sub 6 Sri. J M Grover is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June, 1997. Sri. J M Grover is Member and Chairman of the Nomination and Remuneration Committee, Member and Chairman of the Audit Committee and Member of Stakeholders Relationship Committee of the Board of Directors of the Company.

Sri J M Grover, former Deputy Director and Head Mechanical Processing Spinning Division ATIRA is an eminent textile expert.

Sri. J M Grover is not a Director in any other Company in India. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Sri. J M Grover retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri J M Grover being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five years upto 31st March, 2019. A notice has been received from a member proposing Sri J M Grover as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri J M Grover fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri J M Grover as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri J M Grover as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri J M Grover as an Independent Director, for the approval by the shareholders of the Company.

Except Sri J M Grover, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Sub 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Sub 7 Sri. R.Sambasivan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in December 2008. Sri. R.Sambasivan is Member of the Nomination and Remuneration Committee, Member of the Audit Committee and Member and Chairman of Stakeholders Relationship Committee of the Board of Directors of the Company.

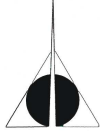
Sri R.Sambasivan, is a Textile Technologist and has been with the company since December 2008 and has over 40 years experience in the Textile Industry.

Sri. R.Sambasivan is not a Director in any other Company in India.

Sri. R.Sambasivan holds 200 shares in the company.

Sri. R.Sambasivan is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Sri. R.Sambasivan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five years upto 31st March, 2019. A notice has been received from a member proposing Sri. R.Sambasivan as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri. R.Sambasivan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri. R.Sambasivan as an Independent Director setting out the terms and conditions would be available for inspection



Sri Lakshmi Saraswathi Textiles (Arni) Limited

without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri. R.Sambasivan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri. R.Sambasivan as an Independent Director, for the approval by the shareholders of the Company.

Except Sri. R.Sambasivan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Sub 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Subs 8 & 9 Sri Balakrishna S, Wholetime Director and Sri R.Padmanaban, Technical Director were re-appointed by the Shareholders for a period of 3 years from April 1, 2012 to March 31, 2015 at the 48th Annual General Meeting held on September 28, 2012. Under the able guidance of these Directors, the Company has made good progress. The Board considered it fit to revise the remuneration of these Wholetime Directors for the period from April 1, 2014 to March 2015. The remuneration proposed is in accordance with the provisions of the Companies Act, 2013.

The proposed Resolutions are to obtain the approval of the Shareholders for the revision in remuneration of this Director for the period from April 1, 2014 to March 2015 which have already been approved by the Board at its Meeting held on May 29, 2014 as recommended by the Nomination and Remuneration Committee at its Meeting held on May 28, 2014.

Sri Balakrishna S, is interested in Sub 8

Sri R.Padmanaban, is interested in Sub 9

No other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Sub 8 & 9.

This Explanatory Statement together with the accompanying Notice may also be regarded as an abstract and memorandum under Section 190 of Companies Act, 2013 (Corresponding to Section 302 of the Companies Act, 1956) and as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Sub 10 The Shareholders of the Company at their Extraordinary General Meeting held on December 24, 1993 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding shall not exceed a sum of Rs.50 crores (Rupees Fifty Crores Only).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at sub 10 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs.50 Crores (Rupees Fifty crores only).

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at sub 10.

By Order of the Board

Place : Chennai
Date : May 29, 2014

(BALAKRISHNA S)
Wholetime Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

FIFTIETH ANNUAL REPORT

DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors present the Fifteenth Annual Report of the Company alongwith the audited statement of accounts for the year ended 31st March 2014

WORKING RESULTS

Details	Rs.	Rs.
Profit before financial charges and Depreciation from business operations.		70091024
Less:-		
1) Financial Charges	8994441	
2) Depreciation	24444385	33438826
Profit before Tax		36652198
Less: Provision for Tax		
- For Current Tax	11067619	
- For Earlier year Tax	4574726	
- For Deferred Tax Liability	1540859	17183204
Profit for the Year		19468994
Proposed Dividend and Dividend Distribution Tax		3873400
Balance Profit for the Current Year		15595594
Loss brought forward from previous year		(24473509)
Loss Carried forward		(8877915)

PRODUCTION AND SALES

Production of yarn during the year was 57.62 lakhs kgs as against 56.60 lakhs kgs in the previous year. The sale value during the year was Rs.125.70 crores as against Rs.114.64 crores of previous year.

DIVIDEND

Your Directors have recommended a dividend of 10% [Re.1 per share of face value of Rs.10/- each] for the year 2013-14.

TRADE PROSPECT AND OUTLOOK

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



Sri Lakshmi Saraswathi Textiles (Arni) Limited

CURRENT YEAR

The performance during the current year continues to be good. Tamilnadu Government announced the withdrawal of power cut and restrictions and controls imposed on supply of power from 1st June 2014. This will improve the capacity utilization, reduce cost of power and thereby improve profit margin. Your Directors are doing their best to improve the performance.

DIRECTORS

Your Directors regret to inform you about the demise of your company's Managing Director, Sri.R.Srihari on 14th June 2013. He founded the company alongwith his father Sri B.Rajagopal Naidu. His contribution to the development of your company is commendable. Your directors wish to place on record their appreciation of his valuable services rendered to the company during his tenure. Casual vacancy in the Board caused by his death has not been filled up.

As per Companies Act, 2013, Independent Directors are not liable for retire by rotation and can be appointed for a period of five years. Hence Sri.J M Grover and Sri R.Sambasivan Independent Directors have been proposed to be appointed for a period of five years from 01.04.2014 to 31.03.2019. The company has received notices from members proposing their candidature for the office of Director of the Company.

Sri Balakrishna S and Sri R.Padmanaban retire by rotation and are eligible for reappointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors would like to state that –

1. In the preparation of Annual Accounts for the year ended 31st March 2013, 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 2014, and of the profit 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 have prepared the annual accounts on a going concern basis.

FINANCE

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



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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.

COST AUDIT

As per Statutory requirement, the Costing Records will be audited by the Cost Auditor to be appointed soon and he will be submit his report directly to the Central Government.

PUBLIC DEPOSIT

Your company is not accepting any deposit from public.

DETAILS TO BE DISCLOSED AS PER PROVISION OF SEC.217 OF THE COMPANIES ACT 1956

The information to be disclosed as per provision of Sec.217(1)(e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure I. which forms part of this report.

As none of the employees was in receipt of remuneration in excess of the prescribed limit, there is no report under Section 217(2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

The report on Management's Discussion and Analysis and the report on Corporate Governance are given in Annexure II & Annexure III respectively.

AUDITORS

The Auditors of the Company M/s. S.Viswanathan retire and are eligible for reappointment. The Audit Committee of the Board of Directors has recommended their re-appointment. A Certificate under Section 224(1B) of the Companies Act 1956 has been obtained from them.

By Order of the Board

Place : Chennai
Date : May 29, 2014

(BALAKRISHNA S)
Wholetime Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

ANNEXURE – I TO DIRECTORS' REPORT

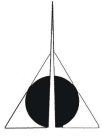
Information disclosed as per requirement of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. 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 saving equipments/ spares/ component are used to conserve energy.

FORM A : Form for disclosure of particulars with respect to conservation of energy

A. POWER AND FUEL CONSUMPTION	2013-2014	2012-2013
1. Electricity		
a) Purchased		
Units(KWH)	2,65,14,953	2,45,85,412
Total Amount Rs.	17,97,07,095	15,92,05,484
Rate/unit(Rs.)	6.78	6.48
b) Own Generation		
i) Through Diesel Generators		
Units (KWH)	1,05,264	1,45,482
Units/Litre of Diesel/SKO	3.11	3.18
Diesel Cost/Unit (Rs.)	16.20	13.78
ii) Through Steam Turbine/Generator	NIL	NIL
iii) Through Furnace Oil Generator		
Units (KWH)	NIL	NIL
Units/Litre of Furnace Oil	NIL	NIL
Furnace Oil Cost/Unit (Rs.)	NIL	NIL
iv) Through Wind Turbine Generator (WTG)		
Units(KWH)	17,96,067	25,82,294
Unit Rs.(Variable Cost)	0.88	0.58
Note: (Power from WTG is wheeled through TNEB grid, and payment is made to TNEB after taking credit for units from WTG)		
2. Coal	NIL	NIL
3. Others	NIL	NIL



Sri Lakshmi Saraswathi Textiles (Arni) Limited

B. CONSUMPTION PER UNIT OF PRODUCTION	Standards (if any)	2013-2014	2012-2013
Products: Yarn			
1. Electricity in KWH per kg. of yarn produced		4.93	4.83
2. Electricity cost/kg of yarn produced(Rs.)		31.54	28.59
3. Furnace Oil		—	—
4. Coal		—	—
5. Others		—	—
C. TECHNOLOGY ABSORPTION			
Efforts made in Technology Absorption as per Form B.		Nil	Nil
D. FOREIGN EXCHANGE EARNINGS AND OUTGO			
Value of export was Rs.736.91 Lakhs.			
The expenses in foreign currency were Rs.24.13 Lakhs. The details are as below:			
		Rs.	
1. Import of Components & Spares		15,92,511	
2. Foreign Travel Expenses		3,50,001	
3. Selling Expenses		4,70,148	
Total		24,12,660	



Sri Lakshmi Saraswathi Textiles (Arni) Limited

ANNEXURE II TO DIRECTORS' REPORT

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 power has resulted in reduction in production of yarn. Maintaining good quality, increasing the volume, optimizing the product mix and capacity utilization, ensuring availability of adequate power at reasonable cost, cost reduction and taking up down stream value are the ways to progress. Current developments and effect of the same in the performance were discussed in the Directors' Report.

ii. Opportunities and threats

Non availability of adequate power and high cost of all inputs, 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. Frequent policy changes of the Government in the matter of raw cotton and yarn export, withdrawal of incentives for yarn export, non availability and high cost of power and other fuels 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 segmentwise or productwise reporting of performance.

iv. Outlook

As discussed in the Directors' Report the performance during 2014-15 will be at a reasonable level.

v. Risks and concerns

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

vi. Internal control systems and their adequacy

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

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

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

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

The company's performance in the industrial relations front continues to be very cordial. Currently the company has 959 employees of all ranks on its rolls.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

ANNEXURE III TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE 2013 – 2014

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Board of Directors and the management of the company commit themselves to enhance the shareholders' value keeping in view the interest of other stakeholders through adherence to prudent business decisions and transparency. The Board of Directors further commits to regularly review the processes for further improvement.

2. BOARD OF DIRECTORS

- a. **COMPOSITION:** (As on 31st March 2014) The Board of Directors of the company consists of the following four directors, categorized as indicated.

Executive Directors:

Promoter group

Wholetime Director : Sri Balakrishna S
Technical Director : Sri R.Padmanaban

Non Executive Directors

Independent Directors: : Sri JM Grover
: Sri R Sambasivan

- b. Attendance at Board Meetings and last AGM and details of memberships of Directors on other Boards and Board committees.

There were four Board meetings held during the year 2013-14. The details and attendance record of Directors at the Board Meeting are as under.

Date of Meeting	Board Strength (on the date of meeting)	No.of Directors Present
29.05.2013	5	4
29.07.2013	4	3
11.11.2013	4	4
14.02.2014	4	4

- The time gap between any two meetings of Board of Directors did not exceed four months.
- The last Annual General Meeting was held on September 11, 2013.
- The Annual General Meeting was attended by all the directors.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

The details of attendance of each director at the Board meeting and at the Annual General Meeting held during the year, the number of other Boards of Directors and Board Committees in which each director is a member are as follows:

S.No.	Name of the Director	No.of Board Meetings attended	Whether attended last AGM	Memberships as on 31.03.2014	
				Other Boards excluding Sri Lakshmi Saraswathi Textiles (Arni) Limited	Other Board Committees excluding Sri Lakshmi Saraswathi Textiles (Arni) Limited
1.	Sri R.Srihari	Nil	N/A	2	Nil
2.	Sri Balakrishna S	4	Yes	Nil	Nil
3.	Sri R.Padmanaban	4	Yes	Nil	Nil
4.	Sri J M Grover	3	Yes	Nil	Nil
5.	Sri R. Sambasivan	4	Yes	Nil	Nil

Sri R.Srihari was a Director till his demise on June 14, 2013.

3. AUDIT COMMITTEE

a) The Audit Committee of the Company was constituted in January 2003, the terms of reference of the Audit Committee are in accordance with clause 49(II) of the Listing Agreement and in conformity to the requirements of Section 292A of the Companies Act 1956.

b) COMPOSITION, NAME OF MEMBERS AND CHAIR PERSON.

The composition of the Audit Committee is as below:

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

All the members have wide exposure in the relevant areas.

c) Meetings and attendance during the year.

Date of the Meeting	Committee Strength	No.of directors present
29.05.2013	2	2
11.11.2013	2	2
14.02.2014	2	2

- Smt Geetha Sundararaghavan, Company Secretary is the Secretary to the committee and was present at all the meetings.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Date of meeting	Invitees present
29.05.2013	1. Sri Balakrishna S, Wholetime Director 2. Sri R.Padmanaban, Technical Director 3. Sri Chella K Srinivasan, Statutory Auditor
11.11.2013	1. Sri Balakrishna S, Wholetime Director 2. Sri R.Padmanaban, Technical Director 3. Sri Chella K Srinivasan, Statutory Auditor
14.02.2014	1. Sri Balakrishna S, Wholetime Director 2. Sri R.Padmanaban, Technical Director

4. REMUNERATION COMMITTEE

a) CONSTITUTION AND TERMS OF REFERENCE

The Remuneration Committee was constituted in April 2003. The broad terms of reference are:

To determine and recommend to the Board the terms of appointment and remuneration including perquisite payable to Executive Directors of the Company.

b) COMPOSITION

The Remuneration Committee consists of the following independent non executive directors.

- a) Sri J M Grover - Chairman
- b) Sri R.Sambasivan

c) The remuneration policy of the company is:

- i. For Managing / Wholetime Directors: The total remuneration, subject to shareholders' approval consists of salary, allowances and perquisites.
- ii. For Non Executive Directors: Sitting fees of Rs.4,000/- for every meeting of the Board or any committee thereof plus reimbursement of traveling and incidental expenses incurred for attending such meetings.

d) The details of remuneration paid to the directors for the year 2013-14 are.

- i. For non Executive Directors – sitting fees paid (excluding reimbursement of travel and other expenses incurred for the business of the company).

S.No.	Name of the Directors	Amount Rs.
1.	Sri J M Grover	28,000
2.	Sri R Sambasivan	36,000
	TOTAL	64,000



Sri Lakshmi Saraswathi Textiles (Arni) Limited

ii. Managing / Wholetime Directors

S.No	Name of the Director	Salary Rs.	Perquisites Rs.	Total Rs.
1	Sri R.Srihari	246667	77260	323927
2	Sri Balakrishna S	1080000	134710	1214710
3	Sri R.Padmanaban	720000	87779	807779
	Total	2046667	299749	2346416

Perquisites include contribution to EPF scheme and medical benefits.
All the three directors are under contract of employment with the company.

- e) Stock Option to non executive directors:
The Company has not granted any stock option to non-executive / independent directors.
- f) Shares held by non-executive directors:
Sri R.Sambasivan holds 200 Shares in the company. No other non-executive director holds any shares in the company.
- g) There was no meeting during the year.

5. Shareholders/ Investors Grievances Committee

- a) The Investor Grievances committee was constituted in January 2003.
- b) Sri R.Sambasivan is the Chairman of the Committee. Sri.Balakrishna S, Sri R.Padmanaban and Sri J M Grover are other members of the Committee. Sri J M Grover and Sri R.Sambasivan are Non-Executive Directors.
- c) Smt Geetha Sundararaghavan, Company Secretary is the compliance officer nominated for this purpose.
- d) During this period 7 letters were received (including share transfers) from shareholders. All these letters were dealt with satisfactorily.
- e) As on March 31, 2014, there were no share transfers pending beyond the due date.

f)

Date of Meeting	Committee strength	No.of directors present
29.05.13	4	4



Sri Lakshmi Saraswathi Textiles (Arni) Limited

6. General Body Meetings:

a) Details of location and time of holding the last three AGMs.

Year	Location	Date & time
47 th AGM 2011	Rani Seethai Hall 603, Mount Road, Chennai – 600 006	16 th September 2011 02.30 PM
48 th AGM 2012	Rani Seethai Hall 603, Mount Road, Chennai – 600 006	28 th September 2012 02.30 PM
49 th AGM 2013	Rani Seethai Hall 603, Mount Road, Chennai – 600 006	11 th September 2013 02.30 PM

b) There has been no use of postal ballot so far.

7. Disclosures:

a) Compliances of the Company:

There have been no instances of non compliance by the company on any matters related to the capital markets nor have any penalty/ strictures been imposed on the company by the stock exchanges or SEBI or any other statutory authority on such matters.

b) Whistle Blower Policy:

The Company is yet to establish a mechanism for Whistle Blower Policy which is a non-mandatory requirement.

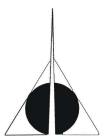
c) Access to Audit Committee

No personnel has been denied access to the audit committee on any matter related to the Company.

8. Means of communication:

Quarterly results are being published in leading national (English) newspaper and in vernacular (Tamil) newspaper.

These results are promptly submitted to the Stock Exchanges to enable them display the same on their website. These results are also available on the Company website : www.slstindia.com



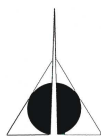
Sri Lakshmi Saraswathi Textiles (Arni) Limited

9. General Shareholders Information:

- a. 50th Annual General Meeting
- Date and Time August 01, 2014 – 02.30 P.M.
- Venue Rani Seethai Hall, 603, Mount Road
CHENNAI – 600 006
- b. Financial Calendar
Annual General Meeting August 01, 2014
Unaudited results for the quarter ending June 2014 Last week of July 2014
Unaudited results for the quarter ending Sep. 2014 2nd week of November 2014
Unaudited results for the quarter ending Dec. 2014 2nd week of February 2015
Audited Annual results for the year ending Mar.2015 Last week of May 2015
- c. Book Closure date From July 25, 2014 to August 1, 2014
- d. Record date of Dividend July 24, 2014
- e. Listing of Equity shares Madras and Mumbai Stock Exchange
The listing fees has been paid uptodate to both the stock exchanges.
- f. Stock Code of equity shares
a) Security Code
Madras Stock Exchange Limited - SRILAKSARA
Bombay Stock Exchange Limited - 521161
b) Demat ISIN Number in NSDL & CDSL - INE 456D01010
- g. Stock Market Data

Month	Bombay Stock Exchange	
	High Rs.	Low Rs.
April '13	28.90	26.15
May '13	26.00	26.00
June '13	25.10	21.90
July '13	31.10	23.35
Aug '13	29.50	25.00
Sept '13	27.55	24.00
Oct '13	28.00	21.90
Nov '13	34.80	27.75
Dec '13	33.00	27.15
Jan '14	33.60	28.70
Feb '14	31.65	26.65
Mar '14	29.05	24.00

No transaction took place in the equity shares of the company in Madras Stock Exchange Limited during the period 01.04.2013 to 31.03.2014.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

h. Registrars and Transfer Agents

M/s.Cameo Corporate Services Ltd
Subramanian Building
No.1,Club House Road
Chennai-600 002
Email: cameo@cameoindia.com

i. Share Transfer System

The Board has authorized Sri Balakrishna S, Wholetime Director and Sri.R.Padmanaban, Technical Director to approve all routine transfers, transmissions of shares. Such approvals are being given by one of these Directors, twice a month. Transfers, transmissions etc., are being approved within 20 days. Requests for dematerialisation are being confirmed within 10 days.

a. Distribution of shareholding as on 31.03.2014

Share holding of nominal value of		Share holders		Share Amount	
Rs.	Rs.	Number	% of Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Upto	- 5,000	3651	93.66	4129890	12.39
5,001	- 10,000	99	2.54	821560	2.47
10,001	- 20,000	57	1.46	852030	2.56
20,001	- 30,000	22	0.57	532300	1.60
30,001	- 40,000	7	0.18	248290	0.74
40,001	- 50,000	5	0.13	236820	0.71
50,001	- 1,00,000	21	0.54	1436620	4.31
1,00,001 and above		36	0.92	25069990	75.22
TOTAL		3898	100.00	33327500	100.00

b. Pattern of shareholding as on 31.03.2014

S.No.	Category	No.of Holders	No.of Shares	%
1.	Indian Promoters	8	1835953	55.09
2.	Mutual Funds & UTI	-	-	-
3.	Banks	1	100	0.00
4.	Corporate Bodies	64	67479	2.02
5.	NRI	7	2840	0.09
7.	Public	3818	1426378	42.80
	TOTAL	3898	3332750	100.00

c. Demat of shares and liquidity

Shares of the company can be held and traded in electronic form. As on 31st March 2014, 30,43,906 shares representing 91.33% of shareholdings have been dematerialized. Shares of the company are listed in Madras Stock Exchange Ltd., and Mumbai Stock Exchange Ltd., and they are actively traded in Mumbai Stock Exchange. There is good liquidity.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

- d. Plant location:
Factory Address:
- 1) Sri Lakshmi Saraswathi Textiles (Arni) Limited
Raghunathapuram,
ARNI – 632 316, Tiruvannamalai District,
Tamilnadu
PH: 04173226281/ 282
 - 2) Wind Turbine Generator
Udayathoor Village,
Radhapuram Taluk,
Tirunelveli District,
Tamilnadu

e. Address for correspondence

- i) To contact Registrar and
Share transfer Agents for
Matters relating to shares
M/s.Cameo Corporate Services Limited
Subramanian Building
No.1,Club House Road
Chennai-600 002
Email: cameo@cameoindia.com
- ii) For Dividends and any other general matters:
Secretary
Sri Lakshmi Saraswathi Textiles (Arni) Ltd.,
16, Krishnama Road,
Nungambakkam,
CHENNAI – 600 034
PH: 28223132 / 28277344
- iii) Exclusive E-mail ID of the Investor grievance
redressal division / compliance officer:
Email: slst@vsnl.com

NON MANDATORY REQUIREMENTS

1. **Non Executive Chairman**
At present there is no Non Executive Chairman
2. **Remuneration Committee**
The Company has constituted a Remuneration Committee, details of which are furnished under item 4 above.
3. **Shareholders Rights.**
The statement of quarterly results is being published in the press and made available at the company website.
4. **Postal Ballot**
The Company has had no occasion to use the postal ballot so far.

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT.

All the members of the Board of Directors and Senior Management have affirmed compliance during 2013-14 with the code of conduct, laid down by the Board.

Place: Chennai
Date : 29th May 2014

for **SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED
(BALAKRISHNA S)**
**Wholtime Director &
Chief Finance Officer**



Sri Lakshmi Saraswathi Textiles (Arni) Limited

CERTIFICATE OF THE AUDITORS TO THE SHAREHOLDERS OF SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by M/s. Sri Lakshmi Saraswathi Textiles (Arni) Limited, for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement, except with regard to the minimum number of Directors in the Audit Committee and No. of Audit Committee meetings in a year.

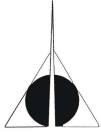
We state that no investor grievance is pending for a period exceeding one month against the Company, as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S.VISWANATHAN
Chartered Accountants
Firm No.004770S**

(CHELLA K.SRINIVASAN)
Partner
Membership Number:23305

Place : Chennai
Date : May 29, 2014



Sri Lakshmi Saraswathi Textiles (Arni) Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED For the year ended March 31, 2014

Report on the Financial Statements.

We have audited the accompanying financial statements of **SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss, Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- b) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

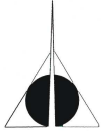
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss & Cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss & Cash flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of Clause(g) of Sub-section(1) of Section 274 of the Act.

**For M/s. S. VISWANATHAN
Chartered Accountants
FRN: 004770S**

**CHELLA K. SRINIVASAN
PARTNER
Membership Number:023305**

Place : Chennai
Date : May 29, 2014



Sri Lakshmi Saraswathi Textiles (Arni) Limited

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED . On the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
(c) There was no disposal of a substantial part of the fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c) and (d) are not applicable.
(e) The Company has taken unsecured loan from a company covered in the Register maintained under section 301 of the Companies Act, 1956. However, the terms of Repayment and Interest are not prejudicial to the interest of the company.
(f) Maximum amount of loan outstanding during the year being Rs.85,00,000/- while the loan outstanding as on 31st March, 2014 is Rs.55,00,000/-.
(g) The payment of principal amount and the interest were regular during the year.
- (iv) There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services and no major weakness has been noticed in the internal control system.
- (v) The particulars of contracts and arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company has not appointed an external agency as internal auditor during the year under review.
- (viii) Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Act and such accounts and records have been prepared and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Customs duty, Value Added Tax, wealth-tax, service tax, cess and other material statutory dues with the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2014 for a period more than six months from the date they became payable.

(b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

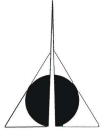
Name of the Statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Income-tax Act 1961	Income tax	21,52,094	Assessment year 1999 - 2000	IT Appeals before ITAT, & High Court
Income-tax Act 1961	Income tax	54,43,989	Assessment year 2000-2001	IT Appeals before ITAT, & High Court
Total		75,96,083		
Employee's State Insurance Act 1948	Contribution to Employee's State Insurance Corporation	4,15,356	2000-01	High Court

* Excludes interest and penalty.

- (x) The Company has accumulated losses at the end of the financial year, however it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society and hence, Clause (xiii) of Paragraph 4 of the Order is not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Term loans borrowed by the Company were applied for the purpose for which the loans were obtained and term loans have been closed at the end of the year.
- (xvii) Funds raised on short-term basis have not been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures and hence, creation of charge does not arise.
- (xx) The Company has not raised any money through public issue and hence, disclosure and verification of end use of money raised through public issues does not arise.
- (xxi) According to the information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Chennai
Date : May 29, 2014

For M/s. S. VISWANATHAN
Chartered Accountants
FRN No.004770S
CHELLA K. SRINIVASAN
PARTNER
Membership Number: 023305



Sri Lakshmi Saraswathi Textiles (Arni) Limited

BALANCE SHEET AS AT 31 ST MARCH 2014

Particulars	Note No.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share Capital	1	3,33,27,500	3,33,27,500
(b) Reserves and surplus	2	19,57,99,940	18,02,04,346
Non-current liabilities			
(a) Long-term borrowings	3	0	4,64,000
(b) Deferred Tax liabilities (Net)		82,89,052	67,48,193
Current liabilities			
(a) Short-term borrowings	4	6,89,95,579	8,73,00,502
(b) Trade payables	5	4,96,28,094	6,94,73,852
(c) Other current liabilities	6	20,37,640	1,71,06,830
(d) Short-term provisions	7	7,39,89,562	6,35,89,186
TOTAL		43,20,67,367	45,82,14,409
Assets			
Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		17,31,19,206	16,30,70,934
(ii) Intangible assets		1,84,314	0
(ii) Capital work-in-progress		0	61,57,064
Sub Total		17,33,03,520	16,92,27,998
(b) Non-current investments	9	72,00,000	58,00,000
(c) Other Non Current Assets	10	1,09,86,058	39,94,177
Current assets			
(a) Inventories	11	7,64,59,878	9,94,91,689
(b) Trade receivables	12	7,81,00,948	9,93,36,722
(c) Cash and Cash equivalents	13	38,61,656	41,63,888
(d) Short-term loan and advances	14	8,00,97,989	7,42,89,665
(e) Other current assets	15	20,57,318	19,10,270
TOTAL		43,20,67,367	45,82,14,409

NOTES 1 TO 24 AND ADDITIONAL INFORMATION IN NOTE 25 & 26 FORM PART OF THIS BALANCE SHEET

BALAKRISHNA S
Wholetime Director

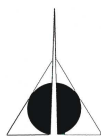
R.PADMANABAN
Technical Director

GEETHA SUNDARARAGHAVAN
Secretary

17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore, Chennai - 600 004
Dated: May 29, 2014

As per our report annexed
for **M/s.S.VISWANATHAN**

CHELLA K.SRINIVASAN
Partner
Chartered Accountants



Sri Lakshmi Saraswathi Textiles (Arni) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014

Particulars	Note No.	For the year ended on 31.03.2014 Rs.	For the year ended on 31.03.2013 Rs.
I Revenue from Operations	16	125,69,78,499	114,66,97,641
II Other Income	17	61,40,892	39,86,407
III Total Revenue		126,31,19,391	115,06,84,048
IV Expenses :			
Cost of materials consumed	18	79,12,15,603	68,79,52,322
Purchase of Stock-in-Trade	19	5,25,300	88,08,401
Changes in inventories of finished goods	20	3,17,55,356	(3,42,85,263)
Change in process stock	21	(56,04,768)	1,48,402
Employee benefits expense	22	10,14,56,820	10,87,07,269
Finance costs	23	89,94,441	2,51,33,827
Depreciation and amortization expenses	8	2,44,44,385	2,52,38,952
Other expenses	24	27,36,80,056	23,92,41,507
Total Expenses		122,64,67,193	106,09,45,417
V Profit before exceptional and extraordinary items and tax (III-IV)		3,66,52,198	8,97,38,631
VI Exceptional items		0	0
VII Profit before extraordinary items and tax (V-VI)		3,66,52,198	8,97,38,631
VIII Extraordinary items		0	0
IX Profit before Tax (VII-VIII)		3,66,52,198	8,97,38,631
X Tax expense :			
(i) Current Tax		1,10,67,619	1,95,95,109
(ii) Deferred Tax		15,40,859	67,48,193
(iii) Tax relating to earlier years		45,74,726	0
Sub total		1,71,83,204	2,63,43,302
LESS : MAT Credit written back		0	1,01,09,387
		1,71,83,204	1,62,33,915
XI Profit/(Loss) for the period from continuing operations after Tax (IX-X)		1,94,68,994	7,35,04,716
XII Profit/(Loss) from discontinuing operations		0	0
XIII Tax expense of discontinuing operations		0	0
XIV Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		0	0
XV Profit/(Loss) for the period (XI - XIV)		1,94,68,994	7,35,04,716
Earning Per Share of value Rs.10 each	26(viii)		
Basic		5.84	22.06
Diluted		5.84	22.06

NOTES 1 TO 24 AND ADDITIONAL INFORMATION IN NOTE 25&26 FORM PART OF THIS PROFIT & LOSS ACCOUNT

BALAKRISHNA S
Wholetime Director

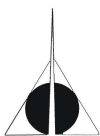
GEETHA SUNDARARAGHAVAN
Secretary

R.PADMANABAN
Technical Director

17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore, Chennai - 600 004
Dated: May 29, 2014

As per our report annexed
for **M/s.S.VISWANATHAN**

CHELLA K.SRINIVASAN
Partner
Chartered Accountants

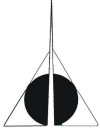


Sri Lakshmi Saraswathi Textiles (Arni) Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2014

	Year ended on 31-03-2014 Rs.	Year ended on 31-03-2013 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	3,66,52,198	8,97,38,631
Adjustments for :		
Add :- Depreciation	2,44,44,385	2,52,38,952
Finance Cost	89,94,441	2,51,33,827
	<u>7,00,91,024</u>	<u>14,01,11,410</u>
(Less) / Add :- (Profit) / Loss on sale of assets	-	(1,184)
Interest received	(9,92,604)	(14,48,510)
Operating Profit before Working Capital Changes	<u>6,90,98,420</u>	<u>13,86,61,716</u>
Adjustments for :-		
Inventories	2,30,31,811	(1,99,52,192)
Receivables	2,12,35,774	(1,46,83,473)
Loans and advances	(59,55,385)	37,00,168
Current Liabilities	(1,96,57,548)	4,08,05,166
Cash Generated from Operations	<u>8,77,53,072</u>	<u>14,85,31,385</u>
Direct taxes paid	(1,97,89,180)	(1,15,31,548)
NET CASH FROM OPERATING ACTIVITIES (a)	6,79,63,892	13,69,99,837
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets and other Capital expenses	(2,85,19,905)	(30,49,700)
Sale of Fixed assets	-	25,000
Investments	(14,00,000)	(30,00,000)
Interest received	9,92,604	14,48,510
NET CASH FROM INVESTING ACTIVITIES (b)	(2,89,27,301)	(45,76,190)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Decrease/ Increase in Working Capital Bank Finance	(2,12,07,382)	(7,69,13,184)
Proceeds Unsecured Loans and other Loans	64,00,000	30,00,000
Repayment of Term Loans	(1,55,37,000)	(3,46,55,080)
Finance Cost	(89,94,441)	(2,51,33,827)
NET CASH FROM FINANCING ACTIVITIES (c)	(3,93,38,823)	(13,37,02,091)

Contd. 2...



Sri Lakshmi Saraswathi Textiles (Arni) Limited

	Year ended on 31-03-2014 Rs.	Year ended on 31-03-2013 Rs.
Net Change in Cash and Cash Equivalent (a+b+c)	(3,02,232)	(12,78,444)
Cash and Cash Equivalent as at 1st April - 2013 (2012)	41,63,888	54,42,332
Cash and Cash Equivalent as at 31st March - 2014 (2013)	38,61,656	41,63,888

/ BY ORDER OF THE BOARD /

BALAKRISHNA S
Wholetime Director

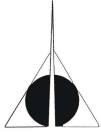
R.PADMANABAN
Technical Director

GEETHA SUNDARARAGHAVAN
Secretary

17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore, Chennai - 600 004
Dated: May 29, 2014

As per our report annexed
for **M/s.S.VISWANATHAN**

CHELLA K.SRINIVASAN
Partner
Chartered Accountants



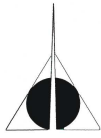
Sri Lakshmi Saraswathi Textiles (Arni) Limited

NOTES TO ACCOUNTS

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.												
1 Share Capital														
(a) Authorised :														
(i) 1,50,00,000 Equity Shares of Rs.10/- Each.	15,00,00,000	15,00,00,000												
(ii) 50,00,000 Preference Shares of Rs.10/- Each	<u>5,00,00,000</u>	<u>5,00,00,000</u>												
	<u>20,00,00,000</u>	<u>20,00,00,000</u>												
(b) ISSUED, SUBSCRIBED AND FULLY PAID UP :														
33,32,750 Equity Shares of Rs.10/- Each Fully Paid-up	3,33,27,500	3,33,27,500												
(c) Reconciliation of the shares outstanding at the beginning and at end of the year	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">As at 31-03-14</th> <th colspan="2">As at 31-03-13</th> </tr> <tr> <th>No. of shares</th> <th>Value Rs.</th> <th>No. of shares</th> <th>Value Rs.</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">33,32,750</td> <td style="text-align: center;">3,33,27,500</td> <td style="text-align: center;">33,32,750</td> <td style="text-align: center;">3,33,27,500</td> </tr> </tbody> </table>	As at 31-03-14		As at 31-03-13		No. of shares	Value Rs.	No. of shares	Value Rs.	33,32,750	3,33,27,500	33,32,750	3,33,27,500	
As at 31-03-14		As at 31-03-13												
No. of shares	Value Rs.	No. of shares	Value Rs.											
33,32,750	3,33,27,500	33,32,750	3,33,27,500											
(d) Details of Shareholders holding more than 5% Shares of the Company														

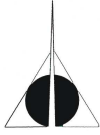
	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% holding to Equity Capital	No. of Shares	% holding to Equity Capital
R. Srihari (BHUF)	296200	8.89	296200	8.89
R. Srihari (SHUF)	260000	7.80	260000	7.80
S. Balakrishna	228450	6.85	228450	6.85
R. Thirumalai	226003	6.78	226003	6.78
R. Padmanabhan	223900	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	NA	NA
Shantha Srihari	170000	5.10	NA	NA

	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
2 RESERVES AND SURPLUS		
(a) Securities Premium Reserve		
Balance at the beginning and at end of the year	4,43,41,790	4,43,41,790
(b) General Reserve		
Balance at the beginning and at end of the year	16,03,36,065	16,03,36,065
(c) Surplus in statement of Profit and Loss		
Balance as per Statement of Profit and Loss of the previous year	(2,44,73,509)	(9,79,78,225)
Profit/(Loss) for the year	1,94,68,994	7,35,04,716
Less: Appropriations		
Proposed Dividend on Equity [Note 26]	33,32,750	0
Dividend distribution Tax	5,40,650	0
Sub Total	38,73,400	0
Balance in Statement of Profit and loss	<u>(88,77,915)</u>	<u>(2,44,73,509)</u>
Total	<u>19,57,99,940</u>	<u>18,02,04,346</u>



Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
NON-CURRENT LIABILITIES		
3 Long-Term Borrowings		
Term loans from Banks (Secured) :		
(a) State Bank of India		
(i) Term Loan - Textile Machinery 2007 (Secured by First charge on pari passu basis on the Fixed Assets of the company excluding Wind Turbine Generator assets and personal guarantee of promoter Directors)	0	4,64,000
	0	4,64,000
Current Liabilities		
4 Short-term borrowings		
(a) Loans repayable on demand (Secured)		
Loans from Banks :		
Indian Overseas Bank		
(i) Open Loan (Secured by hypothecation of Raw materials, Process stock, Yarn and Book Debts on pari passu basis)	2,12,56,121	2,43,58,938
(ii) Packing Credit (Secured by hypothecation of Raw materials, Process stock, Yarn and Book Debts on pari passu basis)	76,50,000	99,91,917
State Bank of India		
(i) Open Loan (Secured by hypothecation of Raw materials, Process stock, Yarn and Book Debts on pari passu basis)	2,05,16,346	2,37,79,641
(ii) Packing Credit (Secured by hypothecation of Raw materials, Process stock, Yarn and Book Debts on pari passu basis)	0	1,24,99,353
Loans repayable on demand - Unsecured		
Other Parties		
(a) Inter Corporate Deposits	55,00,000	55,00,000
(b) Deposits		
(i) Deposits from Consignment Agents	6,50,000	6,50,000
(ii) Security Deposits from Customer	50,00,000	0
(iii) Deposits from supplier of Power	62,00,000	48,00,000
(c) Bank Current Account	22,23,112	57,20,653
Total	6,89,95,579	8,73,00,502



Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
5 Trade Payables		
(i) Creditors for supplies	4,96,28,094	6,94,73,852
6 Other Current Liabilities		
a. Current maturity of long term borrowings		
Indian Overseas Bank		
(i) Term Loan - 2007 (Secured by First charge on pari passu basis on the Fixed Assets of the company excluding Wind Turbine Generator assets and personal guarantee of promoter Directors)	0	81,20,000
State Bank of India		
(i) Term Loan - Textile Machinery (Secured by First charge on pari passu basis on the Fixed Assets of the company excluding Wind Turbine Generator assets and personal guarantee of promoter Directors)	0	50,00,000
(ii) Term Loan - Textile Machinery 2007 (Secured by First charge on pari passu basis on the Fixed Assets of the company excluding Wind Turbine Generator assets and personal guarantee of promoter Directors)	0	18,80,000
Term loans from other parties		
Term loan for vehicles (Secured by hypothecation of Vehicles purchased out of the respective loans and guaranteed by promoter Directors)	0	73,000
b. Interest accrued and due on borrowings	7,10,227	6,57,969
c. Investor Education and Protection Fund (Appropriate amount will be transferred to " Investor Education and Protection Fund", if any, when due)	—	—
Unpaid dividends (Dividend Warrants posted not encashed)	1,52,417	2,83,938
d. Excess amount received from Debtors	11,74,996	10,91,923
Total	20,37,640	1,71,06,830
7 Short-term provisions		
(i) Provision for employee benefits	2,51,40,875	2,37,27,685
(ii) Provision for expenses	3,64,96,452	3,04,14,933
(iii) Provision for taxation	2,40,13,997	2,70,79,562
Less: Tax remittances pending assessment	1,69,96,131	2,29,06,731
Provision for Taxation (net)	70,17,866	41,72,831
(iv) Provision for:		
- Proposed Dividend	33,32,750	0
- Dividend Distribution tax	5,40,650	0
(v) Provision for TDS	4,19,955	3,62,880
(vi) Provision for CST & VAT	10,41,014	49,10,857
Total	7,39,89,562	6,35,89,186



Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
NON-CURRENT ASSETS		
8. FIXED ASSETS		
Schedule enclosed		
9. Non-current Investments		
TRADE		
In Equity Instruments Fully Paid Unquoted		
(a) 100000 Equity shares of Rs.10/- each in M/s. MMS Steels and Powers Pvt. Ltd.	10,00,000	10,00,000
(b) 620000 Equity shares of Rs.10/- in Gamma Green Power Pvt. Ltd.	62,00,000	48,00,000
Total	72,00,000	58,00,000
10. Other Non Current Assets:		
MAT Credit Entitlement	1,09,86,058	39,94,177
CURRENT ASSETS		
11. Inventories		
(i) Raw materials :		
(a) Cotton	2,09,30,212	1,81,69,414
(b) Viscose Staple Fibre	0	5,060
(c) Polyester Staple Fibre	58,50,116	55,90,586
	2,67,80,328	2,37,65,060
(ii) Stock - in - Process	2,24,21,166	1,68,16,398
(iii) Finished Goods :		
(a) Yarn	2,09,38,082	5,33,07,320
(b) Cotton waste	13,23,450	7,09,568
	2,22,61,532	5,40,16,888
(iv) Stores and Spares	49,96,852	48,93,343
Total	7,64,59,878	9,94,91,689

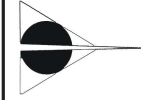
Mode of valuation of inventories disclosed in Note No.25

NOTE No.8

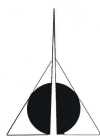
FIXED ASSET SCHEDULE - 2013-14 - AS PER COMPANIES ACT 1956

ASSET NAME	← COST →				← DEPRECIATION →				← W.D.V. →	
	As on 01/04/13	Additions of Assets	Deduction	As on 31/03/14	As on 31/03/13	Deduction	Current Year	As on 31/03/14	As on 31/03/14	As on 31/03/13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND	3457575	—	—	3457575	—	—	—	—	3457575	3457575
BUILDING	111838139	1274419	—	113112558	68584238	—	4189077	72773315	40339243	43253901
FURNITURE & FIXTURES	14546209	240305	—	14786514	12623167	—	385891	13009058	1777456	1923042
PLANT AND MACHINERY	697187259	31121932	—	728309191	591003802	—	18275441	609279243	119029948	106183457
OTHER ASSETS	1124534	31888	—	1156422	932766	—	12944	945710	210712	191768
ELECTRICAL INSTALLATION	30107329	1683396	—	31790725	25162861	—	676332	25839193	5951532	4944468
VEHICLES	13742758	—	—	13742758	10709965	—	763985	11473950	2268808	3032793
LIVE STOCK	83930	—	—	83930	—	—	—	—	83930	83930
Current year Tangible Assets	872087733	34351940	0	906439673	709016799	0	24303670	733320469	173119204	163070934
Previous year Tangible Assets	869470914	3049700	432881	872087733	684186911	409065	25238953	709016799	163070934	185284003
Current year Intangible Assets		325029	0	325029	0	0	140715	140715	184314	0
Previous year Intangible Assets		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
CAPITAL WORK-IN-PROGRESS:									0	6157064

∞

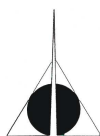


Sri Lakshmi Saraswathi Textiles (Arni) Limited



Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
12 Trade Receivables Unsecured - considered Good		
(a) Exceeding six months	3,25,27,699	3,36,99,609
(b) Other Debts	4,55,73,249	6,56,37,113
Total	7,81,00,948	9,93,36,722
13 Cash and Bank Balances		
Cash on hand	16,44,053	19,15,824
Bank balances		
-in current account	4,20,759	3,25,049
-in Deposit account	16,44,427	16,39,207
(Amount in deposit account offered as security margin for LCs issued)		
Unpaid Dividend Account	1,52,417	2,83,808
Total	38,61,656	41,63,888
14 Short-Term Loan and Advances		
- Electricity Deposits	1,04,65,578	1,27,54,563
- Telephone Deposits	79,009	79,009
- ESI Security Deposits	3,03,850	3,03,850
- Other Deposits	50,000	83,019
	1,08,98,437	1,32,20,441
- Others advances	6,91,99,565	6,10,69,224
Total	8,00,98,002	7,42,89,665
15 Other Current Assets		
- Prepaid expenses	20,57,318	19,10,270
Total	20,57,318	19,10,270
16 Revenue from Operations		
(i) Sale of Products		
Yarn Sales	105,79,79,225	108,34,41,914
Fabric Sales	19,08,13,628	5,43,17,299
Waste Sales	81,85,646	89,38,428
Total	125,69,78,499	114,66,97,641
17 Other Income		
(i) Interest income	9,92,604	14,48,510
(ii) Rent from Employees Quarters	52,358	51,078
(iii) Miscellaneous Sales	3,39,839	3,32,183
(iv) Export Incentive	18,64,389	0
(v) Duty Draw Back Claim received	24,06,033	17,01,536
(vi) Misc. Receipts	12,114	6,400
(vii) Insurance claim Received	4,73,555	4,45,516
(viii) Profit on Sale of Fixed Assets	0	1,184
Total	61,40,892	39,86,407



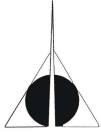
Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
18 Cost of materials consumed		
Opening Stock		
Cotton stock	1,81,69,414	3,32,97,179
Viscose Staple Fibre	5,060	5,060
Polyester Staple Fibre	55,90,586	49,61,079
	<u>2,37,65,060</u>	<u>3,82,63,318</u>
ADD :- Purchases		
Cotton	45,96,74,244	37,79,08,561
Polyester Staple Fibre	31,92,32,839	28,00,24,073
	<u>77,89,07,083</u>	<u>65,79,32,634</u>
Less :- Closing Stock		
Cotton	2,09,30,212	1,81,69,414
Viscose Staple Fibre	0	5,060
Polyester Staple Fibre	58,50,116	55,90,586
	<u>2,67,80,328</u>	<u>2,37,65,060</u>
Less :- Sales		
Cotton & PSF	17,72,867	0
Raw Material Consumed	77,41,18,948	67,24,30,892
Packing Materials Consumed	1,70,96,655	1,55,21,430
Cost of materials consumed	<u>79,12,15,603</u>	<u>68,79,52,322</u>
19 Purchase of Stock-in-Trade		
i) Yarn purchase	5,25,300	88,08,401
20 Changes in inventories of finished goods		
Closing Stock	2,22,61,532	5,40,16,888
Opening Stock	5,40,16,888	1,97,31,625
Net Total	<u>3,17,55,356</u>	<u>(3,42,85,263)</u>
21 Work-in-progress and stock-in-trade		
Closing Stock	2,24,21,166	1,68,16,398
Opening Stock	1,68,16,398	1,69,64,800
	<u>(56,04,768)</u>	<u>1,48,402</u>
22 Employees Cost :		
(i) Salaries Wages and Bonus	8,50,07,988	8,87,90,522
(ii) Contribution to Employees PF & Family Pension Fund	82,35,455	71,70,944
(iii) Contribution to Gratuity Fund	17,49,332	43,96,393
(iv) Workmen & Staff Welfare Expenses	42,76,847	48,66,964
v) Managerial Remuneration (Ref.Annex.I)	21,87,198	34,82,446
	<u>10,14,56,820</u>	<u>10,87,07,269</u>



Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
23 Finance costs		
(a) Interest on Term Loan	9,07,708	36,58,115
(b) Interest on other borrowings	1,04,09,280	1,93,48,071
(c) Bank Charges	6,08,464	18,76,333
(d) Foreign Exchange Rate Fluctuation	(29,31,011)	2,51,308
	<u>89,94,441</u>	<u>2,51,33,827</u>
24 Other Expenses		
i) Power and fuel	18,17,18,535	16,18,38,678
ii) Fabric Conversion Charges	1,90,47,016	55,97,823
iii) Repairs & Maintenance		
(a) Building	18,54,873	11,06,061
(b) Machinery	2,86,98,461	2,90,39,546
(c) Others	26,57,615	22,90,149
	<u>3,32,10,949</u>	<u>3,24,35,756</u>
iv) Administrative Expenses :		
(a) Insurance	14,65,401	13,26,580
(b) Vehicle Maintenance	34,30,757	31,63,501
(c) Rates, Renewal & Taxes	5,46,642	10,41,744
(d) Other Administrative Expenses	1,06,22,527	1,03,51,633
	<u>1,60,65,327</u>	<u>1,58,83,458</u>
v) Selling Expenses		
(a) Commission & Brokerage on Yarn Sales	76,83,001	75,09,080
(b) Godown Rent	60,000	57,000
(c) Freight & Other selling expenses	1,58,95,228	1,59,19,712
	<u>2,36,38,229</u>	<u>2,34,85,792</u>
Total	<u>27,36,80,056</u>	<u>23,92,41,507</u>
Annx.I		
Managerial Remuneration		
(a) Salary	20,46,667	30,00,000
(b) Contribution to PF	1,47,360	2,16,000
(c) Personal Accident Policy	4,044	6,624
(d) Medical Reimbursement	1,48,345	1,17,284
(e) Provision for Gratuity	(2,23,218)	86,538
(f) Directors' Sitting Fees	64,000	56,000
	<u>21,87,198</u>	<u>34,82,446</u>



Sri Lakshmi Saraswathi Textiles (Arni) Limited

NOTE NO. 25

STATEMENT SHOWING SIGNIFICANT ACCOUNTING POLICIES.

1. Basis of preparation and presentation of financial statements

- i) The financial statements have been prepared under the historical cost concept and in accordance with generally accepted accounting polices, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006 and relevant provisions of Companies Act 1956, as adopted consistently by the company.
- ii) The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- iii) During the year all inventories, raw material, process stock, stores and spares and finished goods are valued at cost or net realizable value whichever is lower. Hitherto, raw materials, process stock and stores and spares are valued at cost and finished goods at cost or market price whichever is lower. However, this change does not have any impact in the financial statements.

2. Use of Estimates

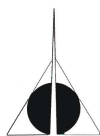
The preparation of financial statements is in accordance with generally accepted accounting principles and requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and disclosures of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future period.

3. Tangible fixed assets

- i) Tangible fixed assets are stated at cost of acquisition (net of CENVAT/ VAT wherever applicable) less 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. Subsequent expenditure relating to an item of fixed asset is added to its book value only if it increases the future benefits from the asset beyond its previous assessed standard of performance. All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period as and when they occur.
- ii) Depreciation for plant and machinery has been provided on Straight line method and for all other assets Written down value method has been followed.
- iii) Gains or losses arising from disposal of fixed assets 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.

4. Intangible fixed assets

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.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

5. Investments

All investments being long term and non trade are stated at cost less permanent diminution in value if any.

6. 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 selling and administrative overheads) wherever applicable.

7. Revenue Recognition

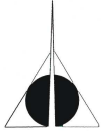
- i) Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- ii) Sale of products is recognized when the significant risk and reward of ownership of the goods have been passed to the buyer. Sale value excludes excise duty, education cess, secondary and higher education cess, CST and VAT.
- iii) Dividend income, if any, is recognized when the company's right to receive dividend is established by the reporting date.

iv) Wind Mill Operation

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 .

8. 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 employees basic salary. There are no other obligation other than the above defined contribution plan.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

iii) Defined Benefit Plan.

Gratuity:

- a) Company's liability towards gratuity in respect of employees who beneficially own shares in the company carrying more than 5% of the total voting power has been provided for on the basis of actuarial valuation and not funded.
- b) Company's liability towards gratuity in respect of all other employees is worked out on the basis of actuarial valuation and is funded.

Leave:

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.

9. 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. Contingent liabilities not provided for, are disclosed in the accounts by way of Notes. Contingent Assets are not recognized.

10. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction of qualifying assets are capitalized as part of the cost of those assets as per Accounting Standard 16. All other borrowing costs are charged to revenue.

11. Government Subsidy / Grant

Interest subsidy under the Technology Upgradation Fund Scheme (TUFs) is credited to the finance cost.

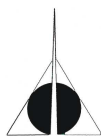
12. Foreign Currency Transactions

Foreign Currency Transactions are recorded at the rate of exchange prevailing on the date of the transaction. At the year end, all monetary assets and liabilities denominated in foreign currency are restated at the year end exchange rates. The premium / discount on forward contracts are amortised over the period of the contract. Exchange differences arising on actual payment/ realization and year end reinstatement referred to above are adjusted.

- i) In respect of fixed assets acquired outside the country to the related cost of fixed assets and
- ii) In all other cases in the statement of profit and loss.

13. Earning Per Share

Net profit after tax is divided by weighted average number of equity shares as stipulated in Accounting Standard 20.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

14. Income Tax

The tax provision is considered as stipulated in Accounting Standard 22 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 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.

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 Accounting Standard 17 is not applicable to the company

16. Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds recoverable amount.

NOTE NO. 26

OTHER DISCLOSURES AND ADDITIONAL INFORMATION AS PER REQUIREMENTS IN REVISED SCHEDULE VI OF THE COMPANIES ACT, 1956.

A. OTHER DISCLOSURES:

i) Contingent Liabilities

Contingent liability not provided for in respect of:

(Rs.in Lakhs)

S.No.	Particulars	As at 31.03.2014	As at 31.03.2013
1.	Export Bills discounted under irrevocable letters of credits issued by Foreign Banks. (This amount is secured by first charge on the fixed assets of the company on pari passu basis and personal guarantee of promoter directors)	111.18	Nil
2.	Disputed income tax liability	75.96	130.77
3.	Disputed contribution to Employees State Insurance Corporation	4.15	4.15

- ii) In the absence of information from suppliers with regard to their registration with the specified authority, despite the company calling for such information the company is unable to furnish the information as required under the Companies Act, 1956 and micro small and medium enterprises development Act, 2006.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

iii) Details of Auditors' Remuneration:
(Included under Note No.24)

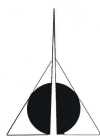
Details	2013-14 Rs.	2012-13 Rs.
Statutory Audit	67,416	67,416
Tax Audit	11,236	11,236
Certification work	4,496	15,060
Income Tax Representation	5,618	44,944
Total	88,766	1,38,656

- iv) Confirmation of balances from Debtors and Creditors have not been received in certain cases.
- v) Items of revenue / expense amounting to more than 1% of total value has been disclosed separately.
- vi) Previous year's figures have been re-grouped wherever necessary to conform to this year's classification.
- vii) As per Accounting Standard 15, Employees Benefit, the disclosure of employees benefits as defined in the Accounting standard are given below:

Details	2013-14 Rs.	2012-13 Rs.
a) Defined Contribution Plan Employers Contribution to Provident Fund	56,97,478	53,83,907
b) Details of the post retirement Gratuity Plan (funded)		
Defined benefit obligation at the beginning of the year	2,19,36,190	1,78,69,062
Benefit paid during the years	13,28,236	8,25,142
Income earned from the asset	4,65,558	4,95,879
Current years contribution	17,49,331	43,96,391
Defined benefit obligation at the end of the period	2,28,22,843	2,19,36,190

viii) Earning Per Share:

Details	2013-14 Rs.	2012-13 Rs.
Net Profit after Tax (A)	1,94,68,994	7,35,04,716
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)	5.84	22.06
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



Sri Lakshmi Saraswathi Textiles (Arni) Limited

ix) Related party transactions:

As per the Accounting Standard 18 – Related party transactions, the company's related party and the details of transactions the company had with them are given below:

I. Related Parties

a) Key Management Personal and relatives

Name of the related Party	Nature of relationship
i) Sri R.Srihari	Managing Director
ii) Sri Balakrishna S	Wholetime Director
iii) Sri R.Padmanaban	Technical Director
iv) Sri R.Thirumalai	Production Manager

b) Enterprise over which the above person(s) exercise significant influences and with which the company had transactions during the years.

a) M/s.B R Theatres and Industrial Concerns Pvt. Ltd.

II. The company's transaction with the above related parties are:

a) Inter corporate deposit accepted and interest paid.

Name of the related party from whom inter corporate deposit was accepted.	Deposit Outstanding as on		Maximum amount of deposit outstanding during		Interest paid during the year	
	31.03.14	31.03.13	2013-14	2012-13	2013-14	2012-13
B R Theatres and Industrial Concerns Pvt. Ltd	55,00,000	55,00,000	85,00,000	55,00,000	12,03,000	9,60,000

Nature of relationship: Associate company.

b) Remuneration paid to key management personnel and relatives.

Name of the related Party	Remuneration paid during the year	
	2013-14 Rs.	2012-13 Rs.
i) Sri R.Srihari, Managing Director	17,77,773	13,47,034
ii) Sri Balakrishna S, Wholetime Director	12,14,710	12,12,282
iii) Sri R.Padmanaban, Technical Director	8,07,779	7,80,592
iv) Sri R.Thirumalai, Production Manager	1,50,267	1,47,255



Sri Lakshmi Saraswathi Textiles (Arni) Limited

x) Deferred Tax Liability Net:

Details	2013-14 Rs.	2012-13 Rs.
Deferred tax liability at the beginning of the year	67,48,193	Nil
Add: Transfer from Statement of Profit and Loss	15,40,859	67,48,193
Closing Balance Deferred Tax liability	82,89,052	67,48,193

Breakup details:

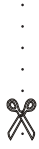
Deferred Tax Liability (Net)	2013-14 Rs.	2012-13 Rs.
<u>Deferred Tax Liability</u>		
Tax Liability on difference between book depreciation and depreciation under the Income Tax Act 1961.	1,52,39,031	1,57,35,074
 <u>Deferred Tax Assets</u>		
Tax effect on timing difference of certain expenses	(69,49,979)	(89,86,881)
Deferred Tax Liability	82,89,052	67,48,193

xi) Dividend:

The Board of Directors recommended a dividend of Rs.1 per equity share, out of current year's profit, though the carried over loss was not fully set-off. This is well within provisions contained both Companies Act, 1956 and Companies Act 2013.

B) ADDITIONAL INFORMATION AS REQUIRED IN REVISED SCHEDULE VI OF THE COMPANIES ACT 1956.

	2013-14 Rs.	2012-13 Rs.
1. C.I.F.Value of Imports during the year		
(a) Raw Materials	0	1,61,21,959
(b) Components and spares	15,92,511	13,18,871
2. Expenditure in Foreign Currency		
(a) Interest	0	0
(b) Travel	3,50,001	5,26,826
(c) Selling Expenses	4,70,148	6,87,740
3. (a) Value of imported Raw Materials consumed	0	1,61,21,959
(b) Percentage of the above to total consumption	0	2
(c) Value of indigenous Raw materials consumed during the year	77,41,18,948	67,24,30,892
(d) Percentage of the above to total consumption	100	98
(e) Value of imported Stores and Spares consumed during the year	15,92,511	13,18,871
(f) Percentage of the above to total consumption	5	4
(g) Value of indigenous Stores and spares consumed during the year	3,15,59,164	3,21,14,651
(h) Percentage of the above to total consumption	95	96
4. Earnings in Foreign currency during the year		
(a) Export of Goods in FOB Value	7,33,65,796	3,92,06,995
(b) Others	Nil	Nil
5. (a) Amount remitted during the year in Foreign currency on account for dividend	Nil	Nil
(b) No. of Non-resident Shareholders	Nil	Nil



SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

(CIN L17111TN1964PLC005183)

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

Email: slst@vsnl.com

Web: www.slstindia.com

Phone: 044 28223132 / 28277344

ATTENDANCE SLIP

50th ANNUAL GENERAL MEETING

2014

I/We hereby record my/our presence at the 50th Annual General Meeting of the Company at Rani Seethai Hall, 603 Mount Road, Chennai-600 006 on Friday, August 1, 2014 at 02.30 P.M

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

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

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

Note:

1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2013-14 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2013-14 and Notice of the Annual General Meeting alongwith Attendance slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.





SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

(CIN L17111TN1964PLC005183)

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

Email: slst@vsnl.com

Web: www.slstindia.com

Phone: 044 28223132 / 28277344

PROXY FORM

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 50th Annual General Meeting of the Company, to be held on Friday, August 1, 2014 at 2.30 PM at Rani Seethai Hall, 603 Mount Road, Chennai-600 006 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Resolutions	Optional	
		For	Against
	ORDINARY BUSINESS		
1.	Adoption of Financial Statements for the year ended 31 st March 2014.		
2.	Approval of final dividend for 2014		
3.	Re-appointment of Mr.Balakrishna S, who retires by rotation.		
4.	Re-appointment of Mr.R.Padamanaban, who retires by rotation.		
5.	Appointment of M/s.S.Viswanathan, Chartered Accountants, as Auditor and fixing their remuneration.		
	SPECIAL BUSINESS		
6.	Appointment of Mr.J M Grover, as an Independent Director		
7.	Appointment of Mr.R.Sambasivan, as an Independent Director		
8.	Revision of the remuneration payable to Sri Balakrishna S, Wholetime Director for the period of 01.04.2014 to 31.03.2015.		
9.	Revision of the remuneration payable to Sri R.Padmanaban, Technical Director for the period of 01.04.2014 to 31.03.2015.		
10.	Special Resolution for giving of consent to the Board of Directors for borrowings in excess of the aggregate of Paid up capital and free reserves by Special Resolution.		



Signed this day of 2014

Signature of shareholder.....

Signature of Proxy holder(s)

Affix Re.0.15 Revenue Stamp

Note:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the meeting.
- 2. For the Resolution, Explanatory Statement and Notes, please refer to the Notice of the 50th Annual General Meeting.
- 3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or Against column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 4. Please complete all details including details of member(s) in above box before submission.

If undelivered please return to

Sri Lakshmi Saraswathi Textiles (Arni) Limited

New.No.16, Krishnama Road,

Nungambakkam, Chennai - 600 034.

