

# Sri Lakshmi Saraswathi Textiles (Arni) Limited

(Recognized Export House)

"CIN : L17111TN1964PLC005183"

August 3, 2016

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

Dear Sir,

Ref: Company Code – 521161  
ISIN – INE456D01010

Sub: Submission of Annual Report for the year 2015-16 as per Reg 34(1)

We submit herewith the Annual Report for the year 2015-16 as per Reg.34(1), which was approved and adopted at the 52<sup>nd</sup> Annual General Meeting held today.

Please take the above on record.

Thanking you,

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

*Geetha Sundararaghavan*  
**(GEETHA SUNDARARAGHAVAN)  
COMPANY SECRETARY**





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

**52 nd  
Annual Report 2015 - 2016**

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

**ANNUAL REPORT 2015-16**



**SRI B. RAJAGOPAL NAIDU 1901 - 73**  
**OUR REVERED FOUNDER**

## **Contents**

Notice	2
Directors' Report	11
Annexure - 1 to Directors' Report	16
Annexure - 2 to Directors' Report	25
Annexure - 3 to Directors' Report	26
Annexure - 4 to Directors' Report	26
Annexure - 5 to Directors' Report	27
Annexure - 6 to Directors' Report	30
Annexure - 7 to Directors' Report	32
Annexure - 8 to Directors' Report	33
Auditors' Report	34
Annexures to Auditors' Report	36
Balance Sheet	40
Statement of Profit & Loss	41
Cash Flow Statement	42
Notes	44



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

(CIN : L17111TN1964PLC005183)

### BOARD OF DIRECTORS

SRI. BALAKRISHNA S  
Managing Director & Chief Executive Officer

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

SRI J. M. GROVER  
Director

SRI R. SAMBASIVAN  
Director

Ms. SIVARANI J  
Director

### COMPANY SECRETARY

Smt. Geetha Sundararaghavan

### REGISTERED OFFICE

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

### Email ID of the grievance redressal division

slstgrievances@gmail.com

### Website:

www.slstindia.com

### FACTORY ADDRESS

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

### REGISTRARS & SHARE TRANSFER AGENTS

Cameo Corporate Services Limited  
Subramanian Building,  
No.1 Club House Road,  
Chennai 600 002  
Phone No: 044-28460718  
Email: investor@cameoindia.com

### BANKERS

Indian Overseas Bank  
Chennai House  
Esplanade  
Chennai - 600 108

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

### AUDITORS :

#### STATUTORY AUDITORS

M/s. S.Viswanathan LLP  
Chartered Accountants  
17, Bishop Wallers Avenue (West)  
Mylapore,  
Chennai 600 004.

#### SECRETARIAL AUDITORS

A.K.JAIN & ASSOCIATES  
Company Secretaries  
No. 2, RAJA ANNAMALAI ROAD  
FIRST FLOOR,  
PURASAWALKAM  
CHENNAI - 600 084

#### COST AUDITOR

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



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

---

### NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Fifty Second Annual General Meeting of the Company will be held at 02.30 P.M. on Wednesday, August 3, 2016 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 Balance Sheet of the company as at 31<sup>st</sup> March 2016, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Directors and Auditors thereon.

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

“RESOLVED that the Audited Balance Sheet of the company as at 31<sup>st</sup> March 2016, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date alongwith the Reports of the Directors and Auditors thereon, be and are hereby approved and adopted”

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

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

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

3. To appoint Auditors and to fix their remuneration.

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

“RESOLVED that M/s. S Viswanathan LLP, Chartered Accountants, the retiring Auditors, be and is hereby appointed as Auditors of the Company to hold office till the conclusion of the next Annual General Meeting, on a remuneration of Rs.2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) and government tax/duty if any on the fee and traveling and out of pocket expenses on actual basis, whenever their services are required out of Chennai, will be paid over and above the remuneration.

#### **SPECIAL BUSINESS**

4. To appoint Ms. Sivarani J (holding DIN 02304269) as a Director of the Company

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 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, Ms.Sivarani J (holding DIN 02304269), appointed as an Additional Director of the Company on March 02, 2016 pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting, and being eligible, offers herself for appointment and in respect of whom the Company has received a notice in writing from a Member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Ms.Sivarani J, for the office of Director, be and is hereby appointed as a Director of the Company, under Independent Director category for a period of 2 years from the date of her appointment, viz. 02-03-2016.”

5. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2016 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) and government tax/ duty if any on the fee and traveling and out of pocket expenses on actual basis, whenever his services are required out of Chennai, payable to Sri R.Sankar, Cost Auditor, (Firm Registration No.102784) appointed as the Cost Auditor of the Company by the Board of Directors, for the financial year 2015-16 for conducting the audit of the Cost Records of the Company, be and is hereby ratified and confirmed.”

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

6. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2017 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) and government tax/ duty if any on the fee and traveling and out of pocket expenses on actual basis, whenever his services are required out of Chennai, payable to Sri R.Sankar, Cost Auditor, (Firm Registration No. 102784) appointed as the Cost Auditor of the Company by the Board of Directors, for the financial year 2016-17 for conducting the audit of the Cost Records of the Company, be and is hereby ratified and confirmed.”

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

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

Place : Chennai  
Date : May 25, 2016

(BALAKRISHNA S)  
**Chairman & Managing 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 28, 2016 to August 3, 2016 (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  
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 52<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd, (CDSL):

### **The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins at 9.00 AM on 31<sup>st</sup> July 2016 and ends at 5.00 PM on 2<sup>nd</sup> August 2016. 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 27<sup>th</sup> July, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.





## Sri Lakshmi Saraswathi Textiles (Arni) Limited

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,  
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

**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.*

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.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

---

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Company “Sri Lakshmi Saraswathi Textiles (Arni) Ltd” on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians
  - o Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - o A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - o After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

---

- o The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - o A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date for e-voting) of 27<sup>th</sup> July 2016.
- (xxiii) Any person who acquires shares after despatch of the Notice of Annual General Meeting and holding shares as on the cut-off date for evoting, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- (xxiv) Mr.Balu Sridhar, partner M/s.A.K.Jain and Associates, Company Secretaries, (CP NO. 3550) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxv) The Scrutinizer shall within a period not exceeding two(2) working days from the conclusion of the Annual General Meeting make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxvi) The Results shall be declared within 48 hours of the conclusion of AGM of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website [www.slstindia.com](http://www.slstindia.com) and on the website of BSE within two (2) days of AGM of the Company.
11. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
12. Electronic copy of the Annual Report for 2015-16 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 2015-16 is being sent in the permitted mode.
13. Electronic copy of the Notice of the 52<sup>nd</sup> 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 52<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

14. Members may also note that the Notice of the 52<sup>nd</sup> Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website [www.slstindia.com](http://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](mailto:slst@vsnl.com).
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
16. Details under Regulation 36, of SEBI (Listing Obligations and Disclosure *Requirements*). *Regulations 2015* in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
17. Pursuant to the provisions of Sec.124 and Sec 125 of Companies Act 2013/ Sec. 205A and 205C of Companies Act 1956, there was no transfer to the Investor Education and Protection Fund of the Central Government during 2015-16..
18. The Equity Shares of the Company are listed in the following Exchange:

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

The company has paid the listing fees for 2016-17 to BSE Limited.

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

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

Details of other Directorships / Committee memberships held by him

1) Nilgiris Flower Company Limited	Director
2) Sherhood Properties Private Limited	Director
3) Masterjee Institute of Studies Pvt Ltd.,	Director

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

Place : Chennai  
Date : May 25, 2016

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



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

---

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

#### **Subject 4**

The Board of Directors, had appointed Ms.Sivarani J (holding DIN 02304269) as Additional Director on 02<sup>nd</sup> March 2016, under Non-Executive Independent Director category. The Board of Directors had also appointed Ms.Sivarani J as Member of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Ms.Sivarani J, is a Agronomist and holds Master degree in Environmental Management. She is General Manager (Energy Plantation) in Orient Green Power Company Limited, Chennai. She has developed business models on energy grass cultivation, contract farming, etc. She has expertise in fields of logistics and supply chain management of Agro Products, Biomass Fuel procurement, development of Standard Operating Procedures for plantation etc. She has a vast experience of over 15 years in different capacities.

In terms of Section 161 (1) of the Companies Act, 2013, Ms.Sivarani J holds Office as Additional Director upto the date of the forthcoming Annual General Meeting. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Ms.Sivarani J being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for a period of 2 years from the date of her appointment, viz. 02-03-2016. The Company has received a Notice pursuant to Section 160 of the Companies Act, 2013 along with the amount of requisite deposit from a Member signifying his intention to propose the appointment of Ms.Sivarani J, as a Director

Ms.Sivarani J is not a Director in any other Company in India. She does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

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

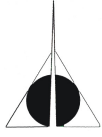
The Board of Directors is of the opinion that her vast knowledge and experience will be of great value to the Company and hence recommends the Resolution for your approval.

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

Except Ms.Sivarani J, 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 4. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

#### **Subject 5**

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



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

---

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Subject 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016.

On the recommendation of the Audit Committee at its meeting held on 11.08.2015, the Board had approved the appointment of Sri. R.Sankar, as Cost Auditor of the Company for conducting the audit of the Cost Records of the Company for the year 2015-16 at a remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) and government tax/ duty if any on the fee and traveling and out of pocket expenses on actual basis, whenever his services are required out of Chennai.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Subject 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Subject 5 of the Notice for approval by the members.

### **Subject 6**

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Subject 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2017.

On the recommendation of the Audit Committee at its meeting held on 25.05.2016, the Board had approved the appointment of Sri. R.Sankar, as Cost Auditor of the Company for conducting the audit of the Cost Records of the Company for the year 2016-17 at a remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) and government tax/ duty if any on the fee and traveling and out of pocket expenses on actual basis, whenever his services are required out of Chennai.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Subject 6 of the Notice.

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

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

Place : Chennai  
Date : May 25, 2016

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



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### FIFTY SECOND ANNUAL REPORT DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors present the Fifty Second Annual Report of the Company alongwith the audited statement of accounts for the year ended 31<sup>st</sup> March 2016.

#### 1. WORKING RESULTS

Details	Rs.	Rs.
Loss from business operation before Financial Expenses and Depreciation		1,16,81,448
Add :-		
1) Financial Expenses	1,05,05,696	
2) Depreciation	1,65,77,494	2,70,83,190
Loss before Tax		3,87,64,638
Add:- Provision for Tax		
- For Current Tax		Nil
- Deferred Tax Liability Written off		Nil
- Provision for tax for earlier years		11,61,478
Current year Loss After Tax		3,99,26,116
Loss carried forward from previous year		3,10,51,422
Loss carried forward		7,09,77,538

#### 2. PRODUCTION AND SALES

Production of yarn during the year was 60.24 lakhs kgs as against 58.90 lakhs kgs in the previous year. The sale value during the year was Rs.108.90crores as against Rs.115.08 crores of previous year.

#### 3. DIVIDEND

Due to loss, your Directors do not recommend Dividend.

#### 4. TRADE PROSPECT AND OUTLOOK

The performance of the company was strained due to market conditions. The cost of raw material and cost of conversion remained high. The yarn sales realization was not satisfactory. The production was affected by non availability of sufficient man power.

#### 5. CURRENT YEAR

The market conditions during the current year are favourably improving. Your Directors are doing their best to improve the performance to a reasonable level.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### 6. DIRECTORS

Ms.Sivarani J, was co-opted as an additional Director of the company by the Board of Directors at its meeting held on March 2, 2016. Pursuant to Section 161 of Companies Act 2013, Ms.Sivarani J vacates office at the forthcoming Annual General Meeting. The Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing the appointment of Ms.Sivarani J as a Director of the Company.

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

### 7. Extract of Annual Return

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

### 8.Details of Board Meetings held during 2015-16.

There were eight Board meetings held during the year 2015-16. The details and attendance record of Directors at the Board Meetings are as under.

Date of Meeting	Board Strength (on the date of meeting)	No.of Directors Present
01.04.2015	4	4
26.05.2015	4	4
11.08.2015	4	4
14.11.2015	4	4
14.12.2015	4	3
09.02.2016	4	4
02.03.2016	5	5
28.03.2016	5	5

### 9. DIRECTORS' RESPONSIBILITY STATEMENT

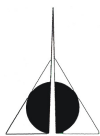
In terms of Section 134(5) of the Companies Act, 2013, the Directors state that –

1. In the preparation of Annual Accounts for the year ended 31<sup>st</sup> March 2016, 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 31<sup>st</sup> March 2016, and of the profit/ loss of the company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.
5. The Directors had laid down Internal Financial Controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 10. Independent Directors

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





## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### 11. Remuneration Policy

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

### 12. Explanation to observations of Secretarial Auditors.

The Board of Directors wish to state that:

- Chief Financial Officer has been appointed on 9<sup>th</sup> February 2016 and
- Regarding the other matters of non-compliances reported by the Secretarial Auditors, the company has complied with the requirement on 2<sup>nd</sup> March 2016.

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

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

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

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

Related Parties	Name of Director to whom related	Nature of relationship with Key Management persons	Salary, Allowance and Bonus Rs.	PF Rs.	Medical Benefit Rs.	Total Rs.
Mr.R.Thirumalai	R.Padmanaban	Brother	10,44,000	71,280	0	11,15,280
Mr.R.Rajagopal	R.Padmanaban	Brother	4,14,000	28,512	0	4,42,512
Mr.Srish Jayender Balakrishna	Balakrishna S	Son	4,14,000	28,512	7152	4,49,664

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

### 15. Material Changes

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

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

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

### 17. Risk Management Policy

At present, risk management is handled by the Wholetime Directors and the risk management policy is yet to be framed.

### 18. Corporate Social Responsibility

As the company's networth, turnover and net profit are below the threshold limits prescribed under the Companies Act, 2013, the company is yet to form a Corporate Social Responsibility Committee.

### 19. Evaluation of Board

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



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

---

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

The information to be disclosed under RULE 8(5) OF COMPANIES (ACCOUNTS) RULES 2014 is given in ANNEXURE – 4.

### **21. DISCLOSURE ON AUDIT COMMITTEE**

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

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

All the members have wide exposure in the relevant areas.

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

### **22. Establishment of Whistle Blower Policy and Vigil Mechanism**

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

### **23. Secretarial Audit Report**

The Secretarial Audit Report for the year 2015-16 is provided in **ANNEXURE - 5**.

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

The required disclosures are provided in **ANNEXURE - 6**.

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

As none of the employees was in receipt of remuneration in excess of the prescribed limit, there is no report under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16.

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

### **27. FINANCE**

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



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

---

### **28. LABOUR**

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

### **29. COST AUDIT**

As per Statutory requirement, the costing records are being audited by the Cost Auditor and he will be submitting his report to the Central Government.

### **30. AUDITORS**

The Auditors of the Company M/s. S.Viswanathan LLP, retire and are eligible for reappointment. The Audit Committee of the Board of Directors has recommended their re-appointment. A Certificate under Section 139(1) of the Companies Act 2013 has been obtained from them.

### **31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report is given in Annexure - 7

### **32. DISCLOSURE REGARDING ACCOUNTING TREATMENT.**

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

### **33. CORPORATE GOVERNANCE REPORT**

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

### **34. DECLARATION BY CEO AFFIRMING COMPLIANCE WITH CODE OF CONDUCT**

Declaration is given in Annexure – 8

### **35. COMPLIANCE CERTIFICATE REGARDING CORPORATE GOVERNANCE.**

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

### **36. Disclosures with respect to demat suspense account/ unclaimed suspense account**

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

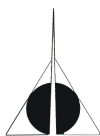
### **37. STATEMENT OF DEVIATION/ VARIATION OF USE OF FUNDS RAISED THROUGH ANY PUBLIC ISSUE.**

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

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

Place : Chennai  
Date : May 25, 2016

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



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure – 1

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2016</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company</b>
<b>(Management &amp; Administration ) Rules, 2014.</b>

### I. REGISTRATION & OTHER DETAILS:

i	CIN	L17111TN1964PLC005183
ii	Registration Date	02.05.1964
iii	Name of the Company	Sri Lakshmi Saraswathi Textiles (Arni) Ltd
iv	Category/Sub-category of the Company	Public Company/ Limited by Shares
v	Address of the Registered office & contact details	16, Krishnama Road, Nungambakkam, Chennai - 600 034, Ph: 044 28277344, 28270548, Email: slst@vsnl.com
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s.Cameo Corporate Services Limited, Subramanian Building, No.1,Club House Road, Chennai-600002. Phone No: 044-28460718 Email: investor@cameoindia.com

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

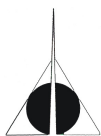


## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

#### (i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2015				No. of shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	1835953	0	1835953	55.09	1835953	0	1835953	55.09	0.00
(b) Central Govt State Govt(s)	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
(e) Any Other ....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	<b>1835953</b>	<b>0</b>	<b>1835953</b>	<b>55.09</b>	<b>1835953</b>	<b>0</b>	<b>1835953</b>	<b>55.09</b>	<b>0.00</b>
<b>(2) Foreign Individuals (NRIs)</b>									
(a) Foreign Individuals	-	-	-	-	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-	-
(d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e) Any Other ....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter(A)= (A)(1)+(A)(2)</b>	<b>1835953</b>	<b>0</b>	<b>1835953</b>	<b>55.09</b>	<b>1835953</b>	<b>0</b>	<b>1835953</b>	<b>55.09</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
(b) Financial Institutions/Bank	-	100	100	0.00	0	100	100	0.00	0.00
(c) Central Govt/State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e) Insurance Companies	-	-	-	-	-	-	-	-	-
(f) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub- Total (B)(1)</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0.00</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non- Institutions</b>									
(a) Bodies Corporate	82999	2800	85799	2.57	72398	2800	75198	2.26	-0.32
(b) Individuals									
(i) Individual shareholders holding nominal shares capital up to Rs.1 lakh	524722	250586	775308	23.26	507630	248586	756216	22.69	-0.57
(ii) Individual shareholders holding nominal shares capital in excess of Rs.1 lakh	540093	0	540093	16.21	570713	0	570713	17.12	0.91
(c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0
(d) Any Other									
Directors and their Relatives	200	30100	30300	0.90	200	30100	30300	0.90	0.00
Hindu Undivided Families	65020	0	65020	1.95	64110	0	64110	1.92	0.03
Non Resident Indians	177	0	177	0.01	160	0	160	0.01	0.00
<b>Sub- Total (B)(2)</b>	<b>1213211</b>	<b>283486</b>	<b>1496697</b>	<b>44.91</b>	<b>1215211</b>	<b>281486</b>	<b>1496697</b>	<b>44.91</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1213211</b>	<b>283586</b>	<b>1496797</b>	<b>44.91</b>	<b>1215211</b>	<b>281586</b>	<b>1496797</b>	<b>44.91</b>	<b>0.00</b>
<b>(C) Shares held by custodians for GDRs and ADRs</b>									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0.00
Public	0	0	0	0	0	0	0	0	0.00
<b>Total Custodian (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3049164</b>	<b>283586</b>	<b>3332750</b>	<b>100.00</b>	<b>3051164</b>	<b>281586</b>	<b>3332750</b>	<b>100.00</b>	<b>0.00</b>



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

#### (ii) Shareholding of promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	S BALAKRISHNA	784650	23.54	0.00	784650	23.54	0.00	0.00
2	R THIRUMALAI	226003	6.78	0.00	226003	6.78	0.00	0.00
3	R. PADMANABHAN	223900	6.72	0.00	223900	6.72	0.00	0.00
4	R RAJAGOPAL	220800	6.63	0.00	220800	6.63	0.00	0.00
5	R PADMINI	210600	6.32	0.00	210600	6.32	0.00	0.00
6	SHANTHA SRIHARI	170000	5.10	0.00	170000	5.10	0.00	0.00

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year-01.04.2015		Cumulative Shareholding during the year-31.03.2016		% change in share holding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	S BALAKRISHNA					
	At the beginning of the year 01-Apr-2015	784650	23.54	784650	23.54	
	At the end of the Year 31-Mar-2016	784650	23.54	784650	23.54	No Change
2	R THIRUMALAI					
	At the beginning of the year 01-Apr-2015	226003	6.78	226003	6.78	
	At the end of the Year 31-Mar-2016	226003	6.78	226003	6.78	No Change
3	R. PADMANABHAN					
	At the beginning of the year 01-Apr-2015	223900	6.72	223900	6.72	
	At the end of the Year 31-Mar-2016	223900	6.72	223900	6.72	No Change
4	R RAJAGOPAL					
	At the beginning of the year 01-Apr-2015	220800	6.63	220800	6.63	
	At the end of the Year 31-Mar-2016	220800	6.63	220800	6.63	No Change
5	R PADMINI					
	At the beginning of the year 01-Apr-2015	210600	6.32	210600	6.32	
	At the end of the Year 31-Mar-2016	210600	6.32	210600	6.32	No Change
6	SHANTHA SRIHARI					
	At the beginning of the year 01-Apr-2015	170000	5.10	170000	5.10	
	At the end of the Year 31-Mar-2016	170000	5.10	170000	5.10	No Change

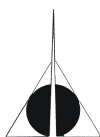


## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year-01.04.2015		Cumulative Shareholding during the year-31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ANIL KUMAR GOEL				
	At the beginning of the year 01-Apr-2015	184100	5.52	184100	5.52
	At the end of the Year 31-Mar-2016	184100	5.52	184100	5.52
2	R N RUBESHJT1 : N LALITHA				
	At the beginning of the year 01-Apr-2015	86606	2.60	86606	2.60
	At the end of the Year 31-Mar-2016	86606	2.60	86606	2.60
3	RATHINASAMY NARAYANASAMY RUBESH				
	At the beginning of the year 01-Apr-2015	48594	1.46	48594	1.46
	At the end of the Year 31-Mar-2016	48594	1.46	48594	1.46
	R N RUBESH				
	At the beginning of the year 01-Apr-2015	3684	0.11	3684	0.11
	At the end of the Year 31-Mar-2016	3684	0.11	3684	0.11
4	MUKTILAL GANULAL PALDIWAL				
	JT1 : TARADEVI MUKTILAL PALDIWAL				
	At the beginning of the year 01-Apr-2015	41456	1.24	41456	1.24
	Purchase 14-Aug-2015	500	0.02	41956	1.26
	Purchase 21-Aug-2015	648	0.02	42604	1.28
	Purchase 28-Aug-2015	54	0.00	42658	1.28
	At the end of the Year 31-Mar-2016	42658	1.28	42658	1.28
5	PRAFUL H BHANDARI				
	At the beginning of the year 01-Apr-2015	8293	0.25	8293	0.2488
	Sale 10-Apr-2015	-100	0.00	8193	0.2458
	Sale 01-May-2015	-100	0.00	8093	0.2428
	Sale 17-Jul-2015	-100	0.00	7993	0.2398
	Purchase 24-Jul-2015	150	0.00	8143	0.2443
	Purchase 31-Jul-2015	1	0.00	8144	0.2443
	Purchase 14-Aug-2015	1	0.00	8145	0.2443
	Purchase 21-Aug-2015	2	0.00	8147	0.2444
	Sale 04-Sep-2015	-1200	0.04	6947	0.2084
	Purchase 11-Sep-2015	4297	0.13	11244	0.3373
	Purchase 30-Sep-2015	286	0.01	11530	0.3459
	Purchase 09-Oct-2015	100	0.00	11630	0.3489
	Purchase 16-Oct-2015	101	0.00	11731	0.3519
	Sale 18-Dec-2015	-1	0.00	11730	0.3519
	Purchase 29-Jan-2016	1089	0.03	12819	0.3846
	Purchase 05-Feb-2016	511	0.02	13330	0.3999
Purchase 19-Feb-2016	14909	0.45	28239	0.8473	
Purchase 11-Mar-2016	2	0.00	28241	0.8473	
Purchase 18-Mar-2016	998	0.03	29239	0.8773	
At the end of the Year 31-Mar-2016	29239	0.88	29239	0.8773	



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year-01.04.2015		Cumulative Shareholding during the year-31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	PRAFUL H BHANDARI				
	At the beginning of the year 01-Apr-2015	4200	0.13	4200	0.1260
	Sale 13-Nov-2015	-4200	0.13	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.00	0	0.0000
	PRAFUL H BHANDARI				
	At the beginning of the year 01-Apr-2015	0	0.00	0	0.0000
	Purchase 14-Aug-2015	1	0.00	1	0.0000
	Purchase 04-Sep-2015	350	0.01	351	0.0105
Purchase 13-Nov-2015	100	0.00	451	0.0135	
Purchase 27-Nov-2015	1000	0.03	1451	0.0435	
At the end of the Year 31-Mar-2016	1451	0.04	1451	0.0435	
6	N LALITHA JT1 : R N RUBESH				
	At the beginning of the year 01-Apr-2015	26241	0.79	26241	0.79
	At the end of the Year 31-Mar-2016	26241	0.79	26241	0.79
7	BHARATKUMAR HIMATLAL KANSARA				
	At the beginning of the year 01-Apr-2015	22000	0.66	22000	0.66
	At the end of the Year 31-Mar-2016	22000	0.66	22000	0.66
8	KARUNA BHANDARI				
	At the beginning of the year 01-Apr-2015	17700	0.53	17700	0.53
	Purchase 17-Apr-2015	5	0.00	17705	0.53
	Purchase 05-Jun-2015	2532	0.08	20237	0.61
	Purchase 19-Jun-2015	683	0.02	20920	0.63
	Purchase 26-Jun-2015	6858	0.21	27778	0.83
	Purchase 10-Jul-2015	100	0.00	27878	0.84
	Purchase 17-Jul-2015	2133	0.06	30011	0.90
	Purchase 21-Aug-2015	601	0.02	30612	0.92
	Sale 18-Sep-2015	-5915	0.18	24697	0.74
	Sale 16-Oct-2015	-101	0.00	24596	0.74
	Sale 06-Nov-2015	-8355	0.25	16241	0.49
	Purchase 20-Nov-2015	3425	0.10	19666	0.59
	Purchase 11-Dec-2015	1	0.00	19667	0.59
	Purchase 18-Dec-2015	1	0.00	19668	0.59
	Purchase 01-Jan-2016	395	0.01	20063	0.60
	Purchase 08-Jan-2016	100	0.00	20163	0.60
	Purchase 22-Jan-2016	100	0.00	20263	0.61
	Purchase 05-Feb-2016	2	0.00	20265	0.61
	Purchase 04-Mar-2016	54	0.00	20319	0.61
At the end of the Year 31-Mar-2016	20319	0.61	20319	0.61	
	KARUNA BHANDARI				
	At the beginning of the year 01-Apr-2015	0	0.00	0	0.00
	Purchase 14-Aug-2015	1	0.00	1	0.00
	Purchase 04-Sep-2015	350	0.01	351	0.01
	At the end of the Year 31-Mar-2016	351	0.01	351	0.01
9	ABHAY KRISHI UDYOG PVT LTD				
	At the beginning of the year 01-Apr-2015	16263	0.49	16263	0.49
	At the end of the Year 31-Mar-2016	16263	0.49	16263	0.49
10	SAJJANMAL BETALA				
	At the beginning of the year 01-Apr-2015	0	0.00	0	0.00
	Purchase 26-Feb-2016	14691	0.44	14691	0.44
	At the end of the Year 31-Mar-2016	14691	0.44	14691	0.44

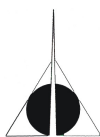




## Sri Lakshmi Saraswathi Textiles (Arni) Limited

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year-31.03.2015		Cumulative Shareholding during the year-31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	S BALAKRISHNA (Director & CEO)				
	At the beginning of the year 01-Apr-2015	784650	23.54	784650	23.54
	At the end of the Year 31-Mar-2016	784650	23.54	784650	23.54
2	R. PADMANABHAN (Director & CFO)				
	At the beginning of the year 01-Apr-2015	223900	6.72	223900	6.72
	At the end of the Year 31-Mar-2016	223900	6.72	223900	6.72
3	SAMBASIVAN .R (Director)				
	At the beginning of the year 01-Apr-2015	200	0.01	200	0.01
	At the end of the Year 31-Mar-2016	200	0.01	200	0.01
4	GEETHASUNDARARAGHAVAN (Company Secretary)				
	At the beginning of the year 01-Apr-2015	100	0.00	100	0.00
	At the end of the Year 31-Mar-2016	100	0.00	100	0.00



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		S.Balakrishna Managing Director	R.Padmanaban Joint Managing Director	
1	<b>Gross salary</b> (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. * (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	19.98	13.32	33.30
2	Stock option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission as % of profit	Nil	Nil	Nil
5	Others (specify)	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	<b>Total (A)</b>	19.98	13.32	33.30
	<b>Ceiling as per the Act</b>	Ceiling not applicable, since only minimum remuneration is paid		

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

#### B. Remuneration to other directors:

(Rs. in Lakhs)

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. J.M.Grover	Mr.R.Sambasivan	Ms.Sivarani J	
1	Independent Directors	Mr. J.M.Grover	Mr.R.Sambasivan	Ms.Sivarani J	Rs.in Lakhs
	(a) Fee for attending board committee meetings	1.90	2.00	0.30	4.20
	(b) Commission	Nil	Nil	Nil	Nil
	(c) Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	1.90	2.00	0.30	4.20
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	- Nil -	- Nil -	- Nil -	- Nil -
	(b) Commission	- Nil -	- Nil -	- Nil -	- Nil -
	(c) Others, please specify.	- Nil -	- Nil -	- Nil -	- Nil -
	<b>Total (2)</b>	- Nil -	- Nil -	- Nil -	- Nil -
	<b>Total (B)=(1+2)</b>	1.90	2.00	0.30	4.20

(Rs. in Lakhs)

<b>Total Managerial Remuneration (A+B)</b>	37.50
<b>Overall Ceiling as per the Act.</b>	Ceiling not applicable, since only minimum remuneration is paid



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO**	Company Secretary	CFO***	Total
1	<b>Gross Salary</b> (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. * (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	<i>Not Applicable</i>	6.96	<i>Not Applicable</i>	6.96
2	Stock Option		<i>Nil</i>		
3	Sweat Equity				
4	Commission as % of profit others, specify				
5	Others, please specify				
	<b>Total</b>		6.96		6.96

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

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

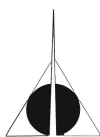
\*\*\* No separate remuneration to Mr.R.Padmanaban, as CFO other than his remuneration as Joint Managing Director

### V INDEBTEDNESS

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	550.70	188.90	<i>Nil</i>	739.60
ii) Interest due but not paid	0.00	9.14		9.14
iii) Interest accrued but not due	0.00	0.00		
<b>Total (i+ii+iii)</b>	550.70	198.04		748.74
<b>Change in Indebtedness during the financial year</b>				
Additions	0.00	0.00		0.00
Reduction	209.06	9.00		218.06
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	341.64	179.90	<i>Nil</i>	521.54
ii) Interest due but not paid	0.00	4.27		4.27
iii) Interest accrued but not due	0.00	0.00		0.00
<b>Total (i+ii+iii)</b>	341.64	184.17		525.81



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

(Rs. in Lakhs)

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b> Penalty Punishment Compounding					
<b>B. DIRECTORS</b> Penalty Punishment Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding					

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

Place : Chennai  
Date : May 25, 2016

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



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### Annexure - 2

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

#### Form AOC – 2

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

<b>1. Details of contracts or arrangements or transactions not at arm's length basis</b>	
(a) Name(s) of the related party and nature of relationship	Nil
(b) Nature of contracts / arrangements / transactions	Nil
(c) Duration of the contracts / arrangements/transactions	Nil
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e) Justification for entering into such contracts or arrangements or transactions	Nil
(f) date(s) of approval by the Board	Nil
(g) Amount paid as advances, if any	Nil
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

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

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

Related Parties	Name of Director to whom related	Nature of relationship	Salary & Allowance Rs.	* Date of approval by the Board	Total Rs.
Mr.R.Thirumalai	R.Padmanaban	Brother	11,15,280	30.07.2001/ 29.05.2014	11,15,280
Mr.R.Rajagopal	R.Padmanaban	Brother	4,42,512	29.05.2014	4,42,512
Mr.Srish Jayender Balakrishna	Balakrishna S	Son	4,49,664	29.05.2014	4,49,664

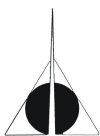
\* Dates of appointment and latest revision

- (b) Nature of contracts/arrangements/transactions: : Employment  
(c) Duration of the contracts / arrangements / transactions : 2015-2016  
(d) Salient terms of the contracts or arrangements or transactions including the value, if any: : Normal employment terms of the company.

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

Place : Chennai  
Date : May 25, 2016

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



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure - 3

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

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

Details	Disclosure	
<b>(A) Conservation of energy-</b> (i) the steps taken or impact on conservation of energy;	The company conducts periodical energy audit and implements the advice given by the energy audit team. In all machines and areas wherever required energy savings equipments / spares/ component are used to conserve energy	
(ii) the steps taken by the company for utilising alternate sources of energy;	The company as alternate source has installed 1 No. Wind Turbine Generator.	
(iii) the capital investment on energy conservation equipments;	During the year – Nil.	
<b>(B) Technology absorption-</b>	Nil	
<b>(C) Foreign exchange earnings and Outgo</b>		
The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.	<u>Earnings/ Inflow</u> Through Export	Rs.in lakhs 1126.52
	<u>Expenses / Outgo</u> i) Raw Materials purchase	31.68
	ii) Import of spares and components	3.73
	iii) Foreign Travel Expenses	2.57
	iv) Selling Expenses	10.05
	Total	48.03

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

Place : Chennai  
Date : May 25, 2016

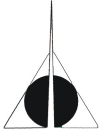
Annexure – 4

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

(I) The financial summary or highlights;	The same has already been discussed in the earlier portion of this report.
(II) The change in the nature of business, if any;	There is no change
(III) The details of directors or key managerial personnel who were appointed or have resigned during the year;	1) Sri Balakrishna S, was appointed as CEO w.e.f 01.04.2015 2) Sri Balakrishna S, ceased to CFO w.e.f 01.04.2015 on his becoming the CEO. 3) Sri R.Padmanaban, was appointed as CFO w.e.f 09.02.2016.
(IV) The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;	Nil
(V) The details relating to deposits, covered under Chapter V of the Act,-	The company does not accept deposit from public.
(VI) The details of deposits which are not in compliance with the requirements of Chapter V of the Act;	No such deposit

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

Place : Chennai  
Date : May 25, 2016



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

ANNEXURE – 5

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14<sup>th</sup> May, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15<sup>th</sup> May, 2015);
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1<sup>st</sup> December, 2015).

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

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



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

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

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

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective 1<sup>st</sup> July, 2015).
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE).

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

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

- (i) *The Company has not complied with the provisions of Section 203(1)(iii) of the Companies Act, 2013, viz., appointment of CFO, from April 1, 2015 to February 8, 2016.*
- (ii) *The Company has not complied with the provisions of Section 149(1) of the Companies Act, 2013, viz., appointment of woman director, upto March 1, 2016.*
- (iii) *The Audit Committee of the Company did not have minimum number of Directors as required u/s 177 of the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 upto March 1, 2016..*
- (iv) *The Nomination and Remuneration Committee of the Company did not have minimum number of Directors as required u/s 178 of the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 upto March 1, 2016..*

### We further report that

- (a) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (b) adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while there were no dissenting members.
- (d) there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**BALU SRIDHAR**

Partner

M.No. F5869

C.P. No. 3550

Place: Chennai  
Date: 09.05.2016

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





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

---

### **Annexure A**

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

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

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

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

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

Place: Chennai  
Date: 09.05.2016



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure – 6

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

S. No.	Disclose Requirements	Disclosure				
1.	The ratio of the remuneration of each Director to the median remuneration of the Company for 2015-16, the percentage increase in remuneration of each Director, Chief Finance Officer, Chief Executive Officer and Company Secretary in 2015-16 and the comparison of remuneration of each Key Managerial Personal against the performance of the Company.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for 2015-16 (Rs.in Lakhs)	% increase in the remuneration in 2015-16	Ratio of remuneration of each Director to median Remuneration of employee.	Comparison of the remuneration of the KMP against the performance of the company.
		Balakrishna S, Managing Director and Chief Executive Officer	21.28	1%	26	Net Loss was at Rs.399 lakhs during 2015-16 as against loss of Rs.222 lakhs in 2014-15
		R.Padmanaban Joint Managing Director and Chief Financial Officer	14.18	5%	17	Net Loss was at Rs.399 lakhs during 2015-16 as against loss of Rs.222 lakhs in 2014-15
		Geetha Sundararaghavan Company Secretary	7.47	13%	Not Applicable	Net Loss was at Rs.399 lakhs during 2015-16 as against loss of Rs.222 lakhs in 2014-15
2	The percentage increase in the median remuneration of employees in the financial year	7%				
3	The number of permanent employees on the rolls of company;	902				
4	The explanation on the relationship between average increase in remuneration and company performance;	The average increase in remuneration was 7% during 2015-16, whereas the net loss for 2015-16 was Rs.399 lakhs as against Rs.222 lakhs in 2014-15. The increase in loss was due to unfavourable market conditions in line with industrial trend.				
5	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The increase in remuneration of Key Managerial Personal was 4% during the year. The turnover and other income decreased by 5% and the loss increased by 0.80 times.				



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

S.No.	Disclose Requirements	Disclosure
6	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase/decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	a) Market capitalization as on March 31, 2016 was Rs.9.38 crores (Rs. 7.92 crores as on March, 31 2015) b) The Price Earning Ratio of the company was negative both as on March 31, 2016 and as on March, 31 2015. c) The market quotation as on March, 31 2016 was Rs.28.15 per shares as compared to the last public issue price of Rs.40 per share in May 1994. The decrease in market quotation was 30% as on March, 31 2016 as compared to the issue price.
7	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The percentage increase of remuneration of employees other than the managerial personal was 7% and whereas that of managerial personnel was 3%.
8	The key parameters for any variable component of remuneration availed by the directors;	There is no variable component of remuneration availed by the directors
9	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	There is no such employee in the employment of the company during the year under review.
10	Affirmation that the remuneration is as per the remuneration policy of the company.	It is affirmed that the remuneration of all employees including directors is as per the remuneration policy of the company.

Place : Chennai  
Date : May 25, 2016

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

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



### REPORT ON MANAGEMENT'S DISCUSSION AND ANALYSIS

**i. Industry structure and developments**

Our company is engaged in the manufacture of all types of yarn used for manufacture of woven and knitted fabrics and is sold both in the domestic and international markets. Demand for yarn in the domestic market depends upon demand for fabrics for domestic consumption and for fabrics for export as such or for manufacture of garments and other textile products for 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 and non availability of adequate number of employees have 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. Unfavourable policies of Government in the matter of cotton yarn export, withdrawal of incentives for yarn export, non availability and high cost of power, shortage of man power, and lack of funds for modernization are the threats faced by the industry.

**iii. Segment wise or product wise performance**

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

**iv. Outlook**

As discussed in the Directors' Report the performance during 2016-17 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.



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

---

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

This has been discussed in detail 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 902 employees of all ranks on its rolls.

---

**Annexure – 8**

**DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT.**

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

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

Place: Chennai  
Date: 25<sup>th</sup> May 2016

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



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

---

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

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED ("the Company") which comprises the Balance Sheet as at 31 March, 2016, 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**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

---

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016
- b) in the case of Statement of Profit and Loss , of the LOSS 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;

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company does not have pending litigations which has impact on its financial position in its financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place: Chennai  
Date : May 25, 2016

(Chella K Srinivasan)  
Partner  
Membership number: 023305



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

---

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

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

We have audited the internal financial controls over financial reporting of SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

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

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





## Sri Lakshmi Saraswathi Textiles (Arni) Limited

---

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Chennai  
Date : May 25, 2016

(Chella K Srinivasan)  
Partner  
Membership number: 023305



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

### **“Annexure B” to the Independent Auditors’ Report of even date on the Financial Statements of SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LTD.**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were observed by the management on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The management has conducted the physical verification of inventory at reasonable intervals and no material discrepancies were noticed.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, clause (iii) (a) to (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has not provided any loans, investments, guarantees and security under section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) Central Government has prescribed maintenance of cost records under sub- section (1) of section 148 of the Companies Act 2013 and such accounts and records have been prepared and maintained by the company.
- (vii)(a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the following dues of Employees’ State insurance have not been deposited by the company on account of dispute.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

Name of the Statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Employee's State Insurance Act 1948	Contribution to Employee's State Insurance Corporation	4,15,356	2000-01	High Court

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- (ix) In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year.
- (x) In our opinion and according to the information and explanations given to us, the company has not noticed any fraud by the company or any fraud on the company by its Officers or employees or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act;
- (xii) The Company is not a Nidhi Company. And hence complying with the provisions of the Nidhi Rules, 2014 does not arise.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the clause (xiv) of the Order are not applicable to the Company.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, clause (xvi) of the Order are not applicable to the Company.

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

(Chella K Srinivasan)  
Partner

Place: Chennai  
Date : May 25, 2016

Membership number: 023305



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### BALANCE SHEET AS AT 31 ST MARCH 2016

Particulars	Note No.	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	1	3,33,27,500	3,33,27,500
(b) Reserves and surplus	2	<u>12,94,20,980</u>	<u>16,93,47,096</u>
		<b>16,27,48,480</b>	<b>20,26,74,596</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	0	0
(b) Deferred Tax liabilities (Net)		0	0
<b>Current liabilities</b>			
(a) Short-term borrowings	4	5,21,53,601	7,39,60,533
(b) Trade payables	5	6,29,55,597	1,29,87,763
(c) Other current liabilities	6	10,12,496	39,80,303
(d) Short-term provisions	7	<u>7,63,77,581</u>	<u>6,76,53,244</u>
<b>TOTAL</b>		<b><u>35,52,47,755</u></b>	<b><u>36,12,56,439</u></b>
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Fixed assets	8		
(i) Tangible assets		13,26,08,923	14,17,01,791
(ii) Intangible assets		1,70,533	4,43,228
(iii) Capital work-in-progress		0	0
Sub Total		<u>13,27,79,456</u>	<u>14,21,45,019</u>
(b) Non-current investments	9	1,06,61,960	96,14,960
(c) Other Non Current Assets	10	1,10,75,327	1,10,75,327
<b>Current assets</b>			
(a) Inventories	11	7,20,22,609	9,19,53,953
(b) Trade receivables	12	3,74,62,656	2,50,61,853
(c) Cash and Bank Balances	13	46,08,440	33,22,998
(d) Short-term loan and advances	14	8,36,60,046	7,53,88,694
(e) Other current assets	15	<u>29,77,261</u>	<u>26,93,635</u>
<b>TOTAL</b>		<b><u>35,52,47,755</u></b>	<b><u>36,12,56,439</u></b>

NOTES 1 TO 25 AND ADDITIONAL INFORMATION IN NOTE 26 & 27 FORM PART OF THIS BALANCE SHEET

**BALAKRISHNA S**  
Managing Director

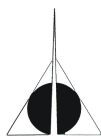
**GEETHA SUNDARARAGHAVAN**  
Company Secretary

**R.PADMANABAN**  
Joint Managing Director

As per our report annexed  
For **M/S. S.VISWANATHAN, LLP**  
**Chartered Accountants**  
Regn No:04770S/S20025

17, Bishop Wallers Avenue (West)  
CIT Colony, Mylapore, Chennai - 600 004  
Dated: May 25, 2016

(Chella K Srinivasan)  
Partner  
Membership number: 023305



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

Particulars	Note No.	For the year ended on 31.03.2016 Rs.	For the year ended on 31.03.2015 Rs.
I Revenue from Operations	16	108,89,93,508	115,07,53,859
II Other Income	17	94,16,856	87,19,213
III <b>Total Revenue</b>		<b>109,84,10,364</b>	<b>115,94,73,072</b>
IV Expenses :			
Cost of materials consumed	18	65,66,68,056	72,13,09,273
Purchase of Stock-in-Trade	19	3,57,25,404	1,11,95,135
Changes in inventories of finished goods	20	1,42,35,695	(1,61,35,430)
Change in process stock	21	(71,07,790)	79,39,055
Employee benefits expense	22	12,65,09,697	11,74,72,760
Finance Expenses	23	1,05,05,696	1,18,11,213
Depreciation and amortization expenses	8	1,65,77,494	2,24,46,290
Other expenses	24	28,40,60,750	28,12,89,272
<b>Total Expenses</b>		<b>113,71,75,002</b>	<b>115,73,27,568</b>
V Profit before exceptional and extraordinary items and tax (III-IV)		(3,87,64,638)	21,45,504
VI Exceptional items	25	0	2,55,27,043
VII Profit before extraordinary items and tax (V-VI)		(3,87,64,638)	(2,33,81,539)
VIII Extraordinary items		0	0
IX Profit before Tax (VII-VIII)		(3,87,64,638)	(2,33,81,539)
X Tax expense :			
(i) Current Tax		0	0
(ii) Deferred Tax		0	(62,33,792)
(iii) Tax relating to earlier years		11,61,478	50,25,760
Sub total		11,61,478	(12,08,032)
LESS : MAT Credit written back		0	0
		<b>11,61,478</b>	<b>(12,08,032)</b>
XI Profit/(Loss ) for the period from continuing operations after Tax (IX-X)		(3,99,26,116)	(2,21,73,507)
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)		(3,99,26,116)	(2,21,73,507)
<b>Earning Per Share of value Rs.10 each</b>	26(viii)		
Basic		-11.98	-6.65
Diluted		-11.98	-6.65

NOTES 1 TO 25 AND ADDITIONAL INFORMATION IN NOTE 26 & 27 FORM PART OF THIS STATEMENT OF PROFIT & LOSS

**BALAKRISHNA S**  
Managing Director

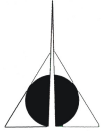
**GEETHA SUNDARARAGHAVAN**  
Company Secretary

**R.PADMANABAN**  
Joint Managing Director

As per our report annexed  
For **M/S. S.VISWANATHAN, LLP**  
**Chartered Accountants**  
Regn No:04770S/S20025

17, Bishop Wallers Avenue (West)  
CIT Colony, Mylapore, Chennai - 600 004  
Dated: May 25, 2016

(Chella K Srinivasan)  
Partner  
Membership number: 023305

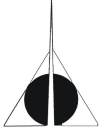


## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2016

	Year ended on 31-03-2016 Rs.	Year ended on 31-03-2015 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(3,87,64,638)	(2,33,81,539)
Adjustments for :		
Add :- Depreciation	1,65,77,494	2,24,46,290
Finance Expenses	1,05,05,696	1,18,11,213
	<u>(1,16,81,448)</u>	<u>1,08,75,964</u>
(Less) / Add :- (Profit) / Loss on sale of assets	(3,80,684)	(34,88,617)
Interest received	22,21,038	15,29,280
Operating Profit before Working Capital Changes	<u>(1,42,83,170)</u>	<u>58,58,067</u>
Adjustments for :-		
Inventories	1,99,31,344	(1,54,94,075)
Receivables	(1,24,00,803)	5,30,39,095
Loans and advances	(85,54,978)	40,72,991
Current Liabilities	5,81,39,769	(3,64,78,307)
Cash Generated from Operations	<u>4,28,32,162</u>	<u>1,09,97,771</u>
Direct taxes paid	(35,76,883)	(80,20,431)
<b>NET CASH FROM OPERATING ACTIVITIES (a)</b>	<b>3,92,55,279</b>	<b>29,77,340</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets and other Capital expenses	(73,41,247)	(41,29,841)
Sale of Fixed assets	5,10,000	99,96,070
Purchase of shares	(10,47,000)	(24,14,960)
Interest received	22,21,038	15,29,280
<b>NET CASH FROM INVESTING ACTIVITIES (b)</b>	<b>(56,57,209)</b>	<b>49,80,549</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Decrease/ Increase in Working Capital Bank Finance	(2,09,06,932)	56,48,106
Proceeds from Unsecured Loans and other Loans	(9,00,000)	15,39,960
Repayment of Term Loans	-	-
Payment of Dividend and tax thereon	-	(38,73,400)
Finance Expenses	(1,05,05,696)	(1,18,11,213)
<b>NET CASH FROM FINANCING ACTIVITIES (c)</b>	<b>(3,23,12,628)</b>	<b>(84,96,547)</b>

Contd. 2...



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

---

	Year ended on 31-03-2016 Rs.	Year ended on 31-03-2015 Rs.
Net Change in Cash and Cash Equivalents (a+b+c)	12,85,442	(5,38,658)
Cash and Cash Equivalents as at 1st April - 2015 (2014)	33,22,998	38,61,656
Cash and Cash Equivalents as at 31st March - 2016 (2015)	46,08,440	33,22,998

/ BY ORDER OF THE BOARD /

**BALAKRISHNA S**  
Managing Director

**GEETHA SUNDARARAGHAVAN**  
Company Secretary

**R.PADMANABAN**  
Joint Managing Director

As per our report annexed  
For **M/S. S.VISWANATHAN, LLP**  
**Chartered Accountants**  
Regn No:04770S/S20025

Place: Chennai  
Date: May 25, 2016

(Chella K Srinivasan)  
Partner  
Membership number: 023305



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### NOTES TO ACCOUNTS

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b>1 Share Capital</b>		
(a) <b>Authorised :</b>		
(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) <b>ISSUED, SUBSCRIBED AND FULLY PAID UP :</b>		
33,32,750 Equity Shares of Rs.10/- Each Fully Paid-up	3,33,27,500	3,33,27,500

	As at 31-03-2016		As at 31-03-2015	
	No. of shares	Value Rs.	No. of shares	Value Rs.
	(c) Reconciliation of the shares outstanding at the beginning and at end of the year	33,32,750	3,33,27,500	33,32,750

(d) Details of Shareholders holding more than 5% Shares of the Company

	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	% holding to Equity Capital	No. of Shares	% holding to Equity Capital
S. Balakrishna	784650	23.54	784650	23.54
R. Thirumalai	226003	6.78	226003	6.78
R. Padmanabhan	223900	6.72	223900	6.72
R. Rajagopal	220800	6.63	220800	6.63
R. Padmini	210600	6.32	210600	6.32
Anil Kumar Goel	184100	5.52	184100	5.52
Shantha Srihari	170000	5.10	170000	5.10

### 2 RESERVES AND SURPLUS

	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
(a) <b>Securities Premium Reserve</b>		
Balance at the beginning of the year	4,43,41,790	4,43,41,790
(b) <b>General Reserve</b>		
Balance at the beginning and at end of the year	15,60,56,728	16,03,36,065
Less: Depreciation on assets whose useful life expired as on 31.03.14 adjusted against retained profit net of deferred tax	0	42,79,337
Balance at the end of the year	15,60,56,728	15,60,56,728
(c) <b>Surplus in statement of Profit and Loss</b>		
Balance as per Statement of Profit and Loss of the previous year	(3,10,51,422)	(88,77,915)
Profit/(Loss) for the year	(3,99,26,116)	(2,21,73,507)
Balance in Statement of Profit and loss	<u>(7,09,77,538)</u>	<u>(3,10,51,422)</u>
Total	<u>12,94,20,980</u>	<u>16,93,47,096</u>





## Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
<b>NON-CURRENT LIABILITIES</b>		
<b>3 Long-Term Borrowings</b>	0	0
<b>Current Liabilities</b>	0	0
<b>4 Short-term borrowings</b>		
<b>(A) Loans repayable on Demand - Secured from Banks FROM</b>	Rs.	Rs.
<b>a) Indian Overseas Bank</b>		
(i) Open Loan	1,07,07,382	2,33,33,955
(ii) Packing Credit	39,25,000	80,00,000
<b>b) State Bank of India</b>		
(i) Open Loan	1,95,31,259	2,37,36,618
(ii) Packing Credit	0	0
<b>(B) Loans repayable on demand - Unsecured from other parties</b>		
<b>(a) Inter Corporate Deposits</b>	11,00,000	50,00,000
<b>(b) Short Term Loan from Director</b>	20,00,000	0
<b>(c) Deposits</b>		
(i) Deposits from Consignment Agents	2,75,000	2,75,000
(ii) Security Deposits from Customer	50,00,000	50,00,000
(iii) Deposits from supplier of Power	96,14,960	86,14,960
<b>Total</b>	<b>5,21,53,601</b>	<b>7,39,60,533</b>

### Note on Security Created

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

#### 1. Primary Security:

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

#### 2. Collateral Security

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

b) Hypothecation on first pari passu basis of all movable fixed assets.

and

#### 3) Personal Guarantee

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

\*\* Details of Bills discounted but not realized and letters of credits issued not crystallized are disclosed under NOTE NO. 27.A.



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b>5 Trade Payables</b>		
Creditors for supplies	<u>6,29,55,597</u>	<u>1,29,87,763</u>
<b>6 Other Current Liabilities</b>		
a. Current maturity of long term borrowings	0	0
b. Interest accrued and due on borrowings	4,26,788	9,13,550
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)	1,35,708	1,36,308
d. Advance from buyers and other Credits	<u>4,50,000</u>	<u>29,30,445</u>
<b>Total</b>	<u>10,12,496</u>	<u>39,80,303</u>
<b>7 Short-term provisions</b>		
(i) Provision for employee benefits	3,60,39,575	2,92,44,450
(ii) Provision for expenses	3,71,33,984	3,22,22,291
(iii) Provision for taxation	1,94,90,301	2,89,95,253
<b>Less:</b> Tax remittances pending assessment	<u>1,77,93,229</u>	<u>2,48,82,777</u>
Provision for Taxation (net)	16,97,072	41,12,476
(iv) Provision for TDS	6,84,884	6,31,193
(v) Provision for GST & VAT	<u>8,22,066</u>	<u>14,42,834</u>
<b>Total</b>	<u>7,63,77,581</u>	<u>6,76,53,244</u>
<b>9 Non-current Investments</b>		
<b>TRADE</b>		
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) 925496 Equity shares of Rs.10/- in Gamma Green Power Pvt. Ltd.	96,14,960	86,14,960
(c ) 470 Equity shares of Rs.100/- each in TCP Power Ltd	<u>47,000</u>	<u>0</u>
<b>Total</b>	<u>1,06,61,960</u>	<u>96,14,960</u>
<b>10 Other Non Current Assets:</b>		
MAT Credit Entitlement	<u>1,10,75,327</u>	<u>1,10,75,327</u>



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

### NOTE No.8

#### FIXED ASSET SCHEDULE - 2015-16 - AS PER COMPANIES ACT 2013

ASSET NAME	COST				DEPRECIATION				W.D.V.	
	As on	Additions During the Year	Deductions During the Year	As on	As on	Deduction during the year	Current Year Depreciation	Total Depreciation As on	As on	As on
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	01/04/2015			31/03/2016	01/04/2015			31/03/2016	31/03/2016	31/03/2015
LAND	3457575	—	—	3457575	—	—	—	—	3457575	3457575
BUILDING	113112558	—	—	113112558	76349420	—	3251433	79600853	33511705	36763138
FURNITURE & FIXTURES	15205222	522007	—	15727229	13972018	—	447643	14419661	1307568	1233204
PLANT AND MACHINERY	625927897	6593330	2691632	629829595	531839686	2574816	11183134	540448004	89381591	94088211
OTHER ASSETS	1287552	48950	—	1336502	1135454	—	62136	1197590	138912	152098
ELECTRICAL INSTALLATION	32034227	156960	—	32191187	27986983	—	919107	28906090	3285097	4047244
VEHICLES	14573906	20000	250000	14343906	12697515	237500	441346	12901361	1442545	1876391
LIVE STOCK	83930	—	—	83930	—	—	—	—	83930	83930
<b>TOTAL - CURRENT YEAR TANGIBLE</b>	<b>805682867</b>	<b>7341247</b>	<b>2941632</b>	<b>810082482</b>	<b>663981076</b>	<b>2812316</b>	<b>16304799</b>	<b>677473559</b>	<b>132608923</b>	<b>141701791</b>
<b>TOTAL - PREVIOUS YEAR TANGIBLE</b>	<b>906439673</b>	<b>2979841</b>	<b>103736647</b>	<b>805682867</b>	<b>733320469</b>	<b>97229194</b>	<b>21555204</b>	<b>*663981076</b>	<b>141701791</b>	<b>173119204</b>
<b>INTANGIBLE ASSETS:</b>										
COMPUTER SOFTWARES	1475029	—	—	1475029	1031801	—	272695	1304496	170533	443228
<b>CURRENT YEAR INTANGIBLE ASSETS</b>	<b>1475029</b>			<b>1475029</b>	<b>1031801</b>		<b>272695</b>	<b>1304496</b>	<b>170533</b>	<b>443228</b>
<b>PREVIOUS YEAR INTANGIBLE ASSETS</b>	<b>325029</b>	<b>1150000</b>		<b>1475029</b>	<b>140715</b>		<b>891086</b>	<b>1031801</b>	<b>443228</b>	<b>184314</b>
<b>CAPITAL WORK-IN-PROGRESS:</b>										
BUILDING UNDER CONSTRUCTION								CURRENT YEAR	0	0
								CURRENT YEAR	0	0
								<b>GRAND TOTAL:</b>	<b>132779456</b>	<b>142145019</b>

\* INCLUDES RS.63,34,597 BEING WDV OF FIXED ASSETS WHERE USEFUL LIFE HAS EXPIRED AS ON 31.03.2014 WRITTEN OFF IN FULL DURING 2014-15



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b>CURRENT ASSETS</b>		
<b>11 Inventories</b>		
<b>(i) Raw materials :</b>		
(a) Cotton	1,03,59,725	2,29,13,808
(b) Polyester Staple Fibre	1,13,18,951	1,19,05,446
	<u>2,16,78,676</u>	<u>3,48,19,254</u>
<b>(ii) Stock - in - Process</b>	2,15,89,901	1,44,82,111
<b>(iii) Finished Goods :</b>		
(a) Yarn	2,18,69,970	3,74,78,455
(b) Cotton waste	22,91,297	9,18,507
	<u>2,41,61,267</u>	<u>3,83,96,962</u>
<b>(iv) Stores and Spares</b>	<u>45,92,765</u>	<u>42,55,626</u>
<b>Total</b>	<u>7,20,22,609</u>	<u>9,19,53,953</u>
<b>Mode of valuation of inventories disclosed in Note No.26</b>		
<b>12 Trade Receivables</b>		
Unsecured - considered Good		
(a) Exceeding six months	17,81,658	13,42,658
(b) Other Debts	3,56,80,998	2,37,19,195
<b>Total</b>	<u>3,74,62,656</u>	<u>2,50,61,853</u>
<b>13 Cash and Bank Balances</b>		
Cash on hand	3,23,704	8,76,765
Bank balances		
In current account	1,70,796	6,99,616
In Deposit account	39,78,232	16,10,309
(Amount in deposit account offered as security margin for LCs issued)		
Unpaid Dividend Account	1,35,708	1,36,308
<b>Total</b>	<u>46,08,440</u>	<u>33,22,998</u>
<b>14 Short-Term Loan and Advances</b>		
Electricity Deposits	3,20,57,734	1,84,19,905
Telephone Deposits	80,509	79,009
ESI Security Deposits	3,03,850	3,03,850
Other Deposits	60,000	60,000
	<u>3,25,02,093</u>	<u>1,88,62,764</u>
Others advances	5,11,57,953	5,65,25,930
<b>Total</b>	<u>8,36,60,046</u>	<u>7,53,88,694</u>
<b>15 Other Current Assets</b>		
Prepaid expenses	29,77,261	26,93,635
<b>Total</b>	<u>29,77,261</u>	<u>26,93,635</u>



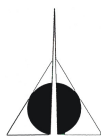
## Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b>16 Revenue from Operations</b>		
(i) Sale of Products		
Yarn Sales	108,17,30,315	102,89,62,000
Fabric Sales	0	11,33,24,271
Waste Sales	<u>72,63,193</u>	<u>84,67,588</u>
<b>Total</b>	<u>108,89,93,508</u>	<u>115,07,53,859</u>
<b>17 Other Income</b>		
(i) Interest income	22,21,038	15,29,280
(ii) Rent from Employees Quarters	48,608	52,908
(iii) Miscellaneous Sales	2,87,940	4,18,508
(iv) Export Incentive	10,85,432	17,24,662
(v) Duty Draw Back Claim received	48,92,275	11,11,361
(vi) Misc. Receipts	0	1,100
(vii) Insurance claim Received	5,00,879	3,92,777
(viii) Profit on Sale of Fixed Assets	<u>3,80,684</u>	<u>34,88,617</u>
<b>Total</b>	<u>94,16,856</u>	<u>87,19,213</u>
<b>18 Cost of materials consumed</b>		
<b>Opening Stock</b>		
Cotton stock	2,29,13,808	2,09,30,212
Viscose Staple Fibre	0	0
Polyster Staple Fibre	<u>1,19,05,446</u>	<u>58,50,116</u>
	<u>3,48,19,254</u>	<u>2,67,80,328</u>
<b>ADD :- Purchases</b>		
Cotton	33,72,09,318	36,02,27,349
Polyster Staple Fibre	<u>28,89,30,017</u>	<u>35,16,96,131</u>
	<u>62,61,39,335</u>	<u>71,19,23,480</u>
<b>Less :- Closing Stock</b>		
Cotton	1,03,59,725	2,29,13,808
Viscose Staple Fibre	0	0
Polyster Staple Fibre	<u>1,13,18,951</u>	<u>1,19,05,446</u>
	<u>2,16,78,676</u>	<u>3,48,19,254</u>
<b>Less :- Sales</b>		
Cotton & PSF	0	0
<b>Raw Material Consumed</b>	63,92,79,913	70,38,84,554
Packing Materials Consumed	<u>1,73,88,143</u>	<u>1,74,24,719</u>
<b>Cost of materials consumed</b>	<u>65,66,68,056</u>	<u>72,13,09,273</u>
<b>19 Purchase of Stock-in-Trade</b>		
Yarn purchase	3,57,25,404	1,11,95,135
<b>20 Changes in inventories of finished goods</b>		
Closing Stock	2,41,61,267	3,83,96,962
Opening Stock	<u>3,83,96,962</u>	<u>2,22,61,532</u>
<b>Net Total</b>	<u>1,42,35,695</u>	<u>(1,61,35,430)</u>
<b>21 Work-in-progress and stock-in-trade</b>		
Closing Stock	2,15,89,901	1,44,82,111
Opening Stock	<u>1,44,82,111</u>	<u>2,24,21,166</u>
	<u>(71,07,790)</u>	<u>79,39,055</u>



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<b>22 Employees Costs</b>		
(i) Salaries Wages and Bonus	10,19,58,695	9,61,13,493
(ii) Contribution to Employees PF & Family Pension Fund	83,37,576	84,24,592
(iii) Provision for contribution to Gratuity Fund	50,48,618	37,56,412
(iv) Workmen & Staff Welfare Expenses	66,79,848	45,02,033
(v) Managerial Remuneration (Ref.Annex.I)	44,84,960	46,76,230
	<u>12,65,09,697</u>	<u>11,74,72,760</u>
<b>23 Finance Expenses</b>		
(a) Interest on Term Loan from Banks	0	0
(b) Interest on working capital borrowing from banks	72,07,473	59,28,697
(c) Interest on other borrowings	23,49,441	32,95,223
(d) Bank Charges	19,30,975	22,55,877
(e) Foreign Exchange Rate Fluctuation	(9,82,193)	3,31,416
	<u>1,05,05,696</u>	<u>1,18,11,213</u>
<b>24 Other Expenses</b>		
i) Power and fuel	19,34,90,961	18,19,95,808
ii) Fabric Conversion Charges	0	1,20,60,673
iii) Repairs & Maintenance		
(a) Building	21,58,341	48,50,604
(b) Machinery	3,18,01,101	3,44,67,714
(c) Others	27,19,109	28,63,498
	<u>3,66,78,551</u>	<u>4,21,81,816</u>
iv) Administrative Expenses :		
(a) Insurance	13,95,689	14,70,258
(b) Vehicle Maintenance	36,36,331	35,91,634
(c) Rates, Renewal & Taxes	6,84,003	8,64,493
(d) Other Administrative Expenses	1,27,09,814	1,22,88,596
	<u>1,84,25,837</u>	<u>1,82,14,981</u>
v) Selling Expenses		
(a) Commission & Brokerage on Yarn Sales	1,54,01,928	67,44,013
(b) Godown Rent	15,000	27,000
(c) Freight & Other selling expenses	2,00,48,473	2,00,64,981
	<u>3,54,65,401</u>	<u>2,68,35,994</u>
<b>Total</b>	<u>28,40,60,750</u>	<u>28,12,89,272</u>
<b>25 Exceptional items</b>		
Bad Debts Written-off	0	2,55,27,043
<b>Annexure - I</b>		
<b>Managerial Remuneration</b>		
(a) Salary, bonus and exgratia	31,80,000	31,40,400
(b) Contribution to PF	2,16,000	2,16,000
(c) Personal Accident Policy	0	4,044
(d) Medical Reimbursement	1,49,969	92,326
(e) Provision for Gratuity	5,18,991	9,03,460
(f) Directors Sitting Fees	4,20,000	3,20,000
	<u>44,84,960</u>	<u>46,76,230</u>



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

---

### NOTE NO. 26

#### 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 and notified under the Companies (Accounting Standards) Rules, 2006 and relevant provisions of Companies Act 2013, 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) All inventories, raw material, process stock, stores and spares and finished goods are valued at cost or net realizable value whichever is lower.

##### 2. Use of Estimates

The preparation of financial statements is in accordance with generally accepted accounting principles and requires management to make judgments, 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 normally 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 amortized 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 as a conservative measure, does not reckon deferred tax asset.

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. 27

#### OTHER DISCLOSURES AND ADDITIONAL INFORMATION AS PER REQUIREMENTS IN REVISED SCHEDULE III OF THE COMPANIES ACT, 2013.

##### A. OTHER DISCLOSURES:

- i) Contingent Liabilities and Commitments not provided for

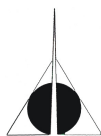
(Rs.in Lakhs)

Details	As at 31.03.2016	As at 31.03.2015
<b>a) Contingent Liabilities</b>		
Contingent Liabilities not provided for in respect of		
1. Export Bills Discounted under irrevocable Letters of Credit issued by Foreign Banks	81.32	0.00
2. Disputed Income Tax Liabilities	0.00	46.08
3. Disputed Contribution to Employees State Insurance Corporation	4.15	4.15
<b>b) Commitments</b>		
1. Estimated amounts of contracts remaining to be executed on capital accounts not provided for	0.00	0.00
2. Other commitments:		
Liabilities on Letters of Credit issued for capital goods.	0.00	0.00
Liabilities on Letters of Credit issued for others	240.96	0.00

- ii) Gratuity

The company has not funded gratuity liability for as per actuarial valuation for the last 6 years and the total amount to be funded is Rs.2,05,60,639.

- iii) 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

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

Details	2015-16 Rs.	2014-15 Rs.
Statutory Audit	2,50,000	90,000
Tax Audit	22,800	22,800
Certification work	12,534	2,248
Other Taxation Matters	—	22,032
Cost Audit Fees	50,000	* 1,00,000
Internal Audit	1,77,000	1,77,000
Certification work – Internal Auditor	25,691	11,764
<b>Total</b>	<b>5,38,025</b>	<b>4,25,844</b>

\* Fees for two years.

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

Details	2015-16 Rs.	2014-15 Rs.
a) Defined Contribution Plan Employers Contribution to Provident Fund	63,83,618	61,19,906
b) Details of the post retirement Gratuity Plan (funded)		
Defined benefit obligation at the beginning of the year	2,62,32,241	2,28,22,843
Benefit paid during the years	4,22,913	7,90,845
Income earned from the asset	3,68,796	4,43,830
Current year's contribution	50,48,617	37,56,413
Defined benefit obligation at the end of the period	3,12,26,741	2,62,32,241

ix) Earning Per Share:

Details	2015-16 Rs.	2014-15 Rs.
Net Profit/ Loss after Tax (A)	-3,99,26,116	-2,21,73,507
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)	-11.98	-6.65
Reconciliation of weighted average number of equity shares		
No.of shares at the beginning of the year	3332750	3332750
No.of shares at the end of the year	3332750	3332750
Adjusted weighted average No.of equity shares	3332750	3332750



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

**x) 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 Personnel and relatives of Key Management Personnel

Name of the related Party	Nature of relationship
	Employed as
i) Sri Balakrishna S	Managing Director
ii) Sri R.Padmanaban	Joint Managing Director
iii) Sri R.Thirumalai	Production Manager
iv) Sri R.Rajagopal	Administrative Manager
v) Sri Srish Jayender Balakrishna	Marketing Manager

b) Remuneration paid to key management personnel and relatives of Key Management Personnel.

Name of the related Party	Remuneration paid during the year	
	2015-16 Rs.	2014-15 Rs.
i) Sri Balakrishna S, Managing Director (excluding provision for gratuity)	<b>21,27,569</b>	21,06,788
ii) Sri R.Padmanaban, Joint Managing Director (excluding provision for gratuity)	<b>14,18,400</b>	13,45,982
iii) Sri R.Thirumalai, Production Manager	<b>11,15,280</b>	9,98,790
iv) Sri R.Rajagopal, Administrative Manager	<b>4,42,512</b>	3,21,600
v) Sri Srish Jayender Balakrishna, Marketing Manager	<b>4,49,664</b>	3,21,600

**xi) Deferred Tax Liability Net:**

Details	2015-16 Rs.	2014-15 Rs.
Deferred tax liability at the beginning of the year	<b>Nil</b>	82,89,052
<b>Add:</b> Transfer from Statement of Profit and Loss	—	—
<b>Less:</b> Deferred Tax liability adjusted for Depreciation provided for asset whose useful life expired as on 31.03.2014.	—	-20,55,260
Balance	—	62,33,792
Less: Transferred to P&L account during 2014-15	—	-62,33,792
Closing Balance Deferred Tax liability	<b>Nil</b>	—



## Sri Lakshmi Saraswathi Textiles (Arni) Limited

Breakup details:

Deferred Tax Liability (Net)	2015-16 Rs.	2014-15 Rs.
<u>Deferred Tax Liability</u>		
Tax Liability on difference between book depreciation and depreciation under the Income Tax Act 1961.	<b>1,18,82,137</b>	1,22,11,710
<u>Deferred Tax Assets</u>		
Tax effect on timing difference of certain expenses	<b>(2,45,05,810)</b>	(1,23,81,708)
Deferred Tax Liability / (assets)	<b>(1,26,23,672)</b>	(1,69,997)

The company does not reckon deferred tax asset.

### B) ADDITIONAL INFORMATION AS REQUIRED IN REVISED SCHEDULE III OF THE COMPANIES ACT 2013.

	2015-16 Rs.	2014-15 Rs.
1. C.I.F.Value of Imports during the year		
(a) Raw Materials	<b>31,67,943</b>	84,48,849
(b) Components and spares	<b>3,73,204</b>	15,83,955
2. Expenditure in Foreign Currency		
(a) Interest	<b>0</b>	0
(b) Travels	<b>2,56,527</b>	93,673
(c) Selling Expenses	<b>10,05,142</b>	5,20,960
3. (a) Value of imported Raw Materials consumed	<b>6,59,244</b>	90,36,484
(b) Percentage of the above to total consumption	<b>0.10</b>	1.28
(c) Value of indigenous Raw materials consumed during the year	<b>63,86,20,669</b>	69,48,48,070
(d) Percentage of the above to total consumption	<b>99.90</b>	98.72
(e) Value of imported Stores and Spares consumed during the year	<b>4,77,897</b>	15,83,955
(f) Percentage of the above to total consumption	<b>1.55</b>	5
(g) Value of indigenous Stores and spares consumed during the year	<b>3,04,94,824</b>	3,18,49,567
(h) Percentage of the above to total consumption	<b>98.45</b>	95
4. Earnings in Foreign currency during the year		
(a) Export of Goods in FOB Value	<b>11,18,87,146</b>	3,92,06,996
(b) Others	<b>Nil</b>	Nil
5. (a) Amount remitted during the year in Foreign currency on account for dividend	<b>Nil</b>	Nil
(b) No. of Non-resident Shareholders	<b>Nil</b>	Nil

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

(CIN L17111TN1964PLC005183)

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

Email: [slst@vsnl.com](mailto:slst@vsnl.com)Web: [www.slstindia.com](http://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 52<sup>nd</sup> Annual General Meeting of the Company, to be held on Wednesday, August 03, 2016 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
	<b>ORDINARY BUSINESS</b>		
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March 2016.		
2.	Re-appointment of Sri.R.Padamanaban, who retires by rotation.		
3.	Appointment of M/s.S.Viswanathan LLP, Chartered Accountants, as Auditors and fixing their remuneration.		
	<b>SPECIAL BUSINESS</b>		
4.	Appointment of Ms. Sivarani J (holding DIN 02304269) as a Director of the Company		
5.	Ratification of remuneration payable to Cost Auditor for the financial year ending 31.03.2016.		
6.	Ratification of remuneration payable to Cost Auditor for the financial year ending 31.03.2017.		

Signed this ..... day of ..... 2016

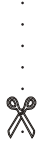
Signature of shareholder.....

Signature of Proxy holder(s) .....

Affix  
 Re.0.15  
 Revenue  
 Stamp

**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the meeting.
- For the Resolution, Explanatory Statement and Notes, please refer to the Notice of the 52<sup>nd</sup> Annual General Meeting.
- It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or Against column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.



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

(CIN L17111TN1964PLC005183)

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

Email: [slst@vsnl.com](mailto:slst@vsnl.com)

Web: [www.slstindia.com](http://www.slstindia.com)

Phone: 044 28223132 / 28277344

**ATTENDANCE SLIP**

**52<sup>nd</sup> ANNUAL GENERAL MEETING**



I/We hereby record my/our presence at the 52<sup>nd</sup> Annual General Meeting of the Company at Rani Seethai Hall, 603 Mount Road, Chennai-600 006 on Wednesday, August 03, 2016 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 2015-16 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 2015-16 and Notice of the Annual General Meeting alongwith Attendance slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.



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

---

If undelivered please return to



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

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

---