

Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L171111TN1964PLC005183"

August 31, 2017

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 2016-17 as per Reg 34(1) of SEBI
LODR Regulation, 2015

We submit herewith the Annual Report for the year 2016-17 as per Reg.34(1) of
SEBI LODR Regulation, 2015, which was approved and adopted at the 53rd Annual
General Meeting held on 30th August 2017.

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**

**53 rd
Annual Report 2016 - 2017**

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

ANNUAL REPORT 2016-17



SRI B. RAJAGOPAL NAIDU 1901 - 73
OUR REVERED FOUNDER

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Sri Lakshmi Saraswathi Textiles (Arni) Limited

(CIN : L17111TN1964PLC005183)

BOARD OF DIRECTORS

SRI. BALAKRISHNA S
Managing Director & Chief Executive Officer

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

SRI J. M. GROVER
Director

SRI R. SAMBASIVAN
Director

Ms. SIVARANI J
Director

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

M/s. 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 Third Annual General Meeting of the Company will be held at 02.30 P.M. on Wednesday, August 30, 2017 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 31st March 2017, 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 31st March 2017, 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.B.Purushottam & Co, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office for a term of five years from the conclusion of this 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting, subject to ratification in every subsequent Annual General Meeting.

RESOLVED FURTHER that the Statutory Auditors shall be paid for the financial year 2017-18 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, over and above the remuneration.

RESOLVED FURTHER that for the financial years 2018-19, 2019-20, 2020-21, 2021-22 the Board of Directors are authorized to fix the remuneration based on the recommendation of the Audit Committee”

SPECIAL BUSINESS

4. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2018 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:



Sri Lakshmi Saraswathi Textiles (Arni) Limited

“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.75,000/- (Rupees Seventy Five 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 2017-18 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 26, 2017

(BALAKRISHNA S)
Chairman & Managing Director

NOTE:

1. The statement pursuant to Section 102 of Companies Act 2013, which sets out details relating to Special Business at the meeting is annexed hereto.
2. 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-materialized 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 August 24, 2017 to August 30, 2017 (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.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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.

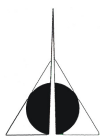
b) Members holding shares in electronic form are requested to register/ update their email ids with the depository participant for the purpose of sending Notice, Annual Reports and other communication by electronic mode.

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 53rd 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 27th August 2017 and ends at 5.00 PM on 29th August 2017. 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 23rd August, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website 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 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:



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For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">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.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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">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.

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.

- (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.



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- (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. 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 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.
 - 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.
 - o The list of accounts linked in the login should be emailed to 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.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

- (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, under help section or write an email to 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 23rd August 2017.
- (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
- (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 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 2016-17 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 2016-17 is being sent in the permitted mode.
13. Electronic copy of the Notice of the 53rd 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 53rd 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.



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14. Members may also note that the Notice of the 53rd Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.slstindia.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: slst@vsnl.com.
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 2016-17.
18. The Equity Shares of the Company are listed in the following Exchange:

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

The company has paid the listing fees for 2017-18 to BSE Limited.

19. At this Annual General Meeting, Sri R.Padmanaban retires by rotation and being eligible, offers himself for reappointment.

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

Details of other Directorships / Committee memberships held by him

1) 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 26, 2017

(BALAKRISHNA S)
Chairman & Managing Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

Subject 4

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 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2018.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 26.05.2017, 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 2017-18 at a remuneration of Rs.75,000/- (Rupees Seventy Five 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 4 of the Notice for approval by the members.

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

Place : Chennai
Date : May 26, 2017

(BALAKRISHNA S)
Chairman & Managing Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

FIFTY THIRD ANNUAL REPORT

DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors present the Fifty Third Annual Report of the Company alongwith the audited statement of accounts for the year ended 31st March 2017.

1. WORKING RESULTS

Details	Rs.	Rs.
Loss from business operation before Financial Expenses and Depreciation		2,80,10,010
Less:-		
1) Financial Expenses	1,11,86,497	
2) Depreciation	1,44,45,223	2,56,31,720
Loss before Tax		5,36,41,730
Less: Provision for Tax		
- For Current Tax		Nil
- Deferred Tax Liability Written off		Nil
- Excess Provision of tax for earlier years written back		20,06,396
Current year Loss After Tax		5,16,35,334
Loss carried forward from previous year		7,09,77,538
Loss carried forward		12,26,12,872

2. PRODUCTION AND SALES

Production of yarn during the year was 49.55 lakhs kgs as against 60.24 lakhs kgs in the previous year. The sale value during the year was Rs.95.11crores as against Rs. 108.90 crores of previous year.

3. DIVIDEND

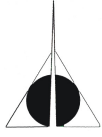
Due to loss, your Directors do not recommend Dividend.

4. TRADE PROSPECT AND OUTLOOK

The performance of the company was strained due to market conditions. Due to non availability of sufficient man power, utilization was adversely affected. Though there was an increase in yarn selling rate, the increase in raw material cost was higher than that of yarn. These factors contributed to the loss.

5. CURRENT YEAR

The market conditions during the current year are favourably improving. The company is taking steps to improve utilization through deployment of sufficient man power. Your Directors are doing their best to improve the performance to a reasonable level.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

6. DIRECTORS

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 Meetings of Board and Committees of Board held during 2016-17.

a) There were seven Board meetings held during the year 2016-17. The details and attendance record of Directors at the Board Meetings are as under.

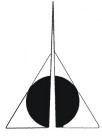
Date of Meeting	Board's Strength (on the date of meeting)	No.of Directors Present
25.05.2016	5	5
25.07.2016	5	4
02.08.2016	5	4
11.11.2016	5	5
11.02.2017	5	5
23.03.2017	5	3
31.03.2017	5	5

b) There were four Audit Committee meetings held during the year 2016-17. The details and attendance record of Directors at the Audit Committee Meetings are as under.

Date of Meeting	Committee's Strength (on the date of meeting)	No.of Directors Present
25.05.2016	3	3
02.08.2016	3	2
11.11.2016	3	3
11.02.2017	3	3

c) There were three Independent Directors meetings held during the year 2016-17. The details and attendance record of Directors at the Independent meetings are as under.

Date of Meeting	Number of Independent Directors (on the date of meeting)	No.of Directors Present
25.05.2016	3	3
11.11.2016	3	3
11.02.2017	3	3



Sri Lakshmi Saraswathi Textiles (Arni) Limited

d) There was one Nomination and Remuneration Committee Meeting held during the year 2016-17. The details and attendance record of Directors at the Nomination and Remuneration Committee meeting is as under.

Date of Meeting	Committee's strength (on the date of meeting)	No.of Directors Present
11.02.2017	3	3

e) There was one Corporate Social Responsibility Committee Meeting held during the year 2016-17. The details and attendance record of Directors at the Corporate Social Responsibility Committee meetings are as under.

Date of Meeting	Committee's Strength (on the date of meeting)	No.of Directors Present
31.03.2017	3	3

f) DETAILS OF BOARD AND COMMITTEE MEETINGS' ATTENDANCE RECORD OF INDIVIDUAL DIRECTORS:

Details		Annual General Meeting	Board Meetings	Audit Committee Meetings	Nomination and Remuneration Committee Meetings	Stakeholders Relationship Committee Meeting	Corporate Social Responsibility Committee Meeting	Independent Directors Meetings
Total No.of Meetings held during 2016-17		1	7	4	1	1	1	3
S. No	Name of the Director	Whether attended	— Number of Meetings Attended —					
1.	Sri Balakrishna S	Yes	7	N.A.	N.A.	1	1	N.A.
2.	Sri R.Padmanaban	Yes	7	N.A.	N.A.	1	1	N.A.
3.	Sri J M Grover	Yes	7	4	1	1	N.A.	3
4.	Sri R Sambasivan	No	4	3	1	1	N.A.	3
5.	Ms.Sivarani J	No	6	4	1	N.A.	1	3

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 31st March 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March 2017, 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.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

10. Independent Directors

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

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

12. Explanation to observations of Secretarial Auditors.

The Board of Directors wish to state that:

In response to Notice received from Registrar of Companies under Section 134, with respect to Corporate Social Responsibility, the company has submitted its explanation to Registrar of Companies. The company awaits response from Registrar of Companies in this regard and suitable further action, if required, will be taken on receipt of response from Registrar of Companies.

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	11,48,400	78,408	0	12,26,808
Mr.R.Rajagopal	R.Padmanaban	Brother	459,360	31,368	35,881	5,26,609
Mr.Srish Jayender Balakrishna	Balakrishna S	Son	459,360	31,368	12,500	5,03,228

(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.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

17. Risk Management Policy

The Board of Directors framed and adopted a Risk Management Policy at its meeting held on March 31, 2017 and the Risk Management Policy can be viewed at the Company website www.slstindia.com

18. Corporate Social Responsibility

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee on March 23, 2017. The Board of Directors adopted a CSR Policy, as recommended by the CSR Committee, which is in line with Section 135 of the Companies Act, 2013.

As the company has incurred loss in the last 3 years, the company is not required to spend any amount on CSR. However, the company every year spends for the education of needy children by providing books and note books to them who live around the mill. Your Directors are pleased to inform you that, during the year 2016-17, an amount of Rs.3,14,784/- was spent on such activity.

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

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 feedback to the Board.

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 – 5.

21. DISCLOSURE ON AUDIT COMMITTEE

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

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

All the members have wide exposure in the relevant areas.

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

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.

23. Secretarial Audit Report

The Secretarial Audit Report for the year 2016-17 is provided in ANNEXURE - 6.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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 - 7.

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 2016-17.

-	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.

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.

Your Directors regret to inform you that there was a partial disruption in the working of mills due to an illegal sit-in-strike by a section of workmen for a brief period in March 2017. The management resolved the issues with workmen quickly and the mills started full operations.

29. COST AUDIT

The Cost Audit Report for 2015-16 was submitted to the Central Government on 27.08.2016.

The Costing Records are being audited by the Cost Auditor and he will be submitting his report for 2016-17 soon.

30. AUDITORS

The Auditors of the Company M/s. S.Viswanathan LLP retire this year. Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 26.05.2017, had further recommended the appointment of M/s.B.Purushottam & Co, Chartered Accountants as Statutory Auditors to hold office for a term of five years from conclusion of 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting. A Certificate under Section 139(1) of the Companies Act 2013 has been obtained from them.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is given in Annexure - 8

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 – 9

35. DECLARATION BY CEO REGARDING UNMODIFIED OPINION ON THE AUDIT REPORT.

Declaration is given in Annexure – 10

36. COMPLIANCE CERTIFICATE REGARDING CORPORATE GOVERNANCE.

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

37. Disclosures with respect to demat suspense account/ unclaimed suspense account

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

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

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

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

Place : Chennai
Date : May 26, 2017

(BALAKRISHNA S)
Chairman & Managing Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure – 1

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014.

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

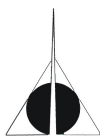
II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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	Yarn	13111	96.31%
2	Fabrics	13121	3.69%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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



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 01.04.2016				No. of shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(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	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	1835953	0	1835953	55.09	1835953	0	1835953	55.09	0.00
(2) Foreign Individuals (NRIs)									
(a) Foreign Individuals	-	-	-	-	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-	-
(d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter(A)= (A)(1)+(A)(2)	1835953	0	1835953	55.09	1835953	0	1835953	55.09	0.00
B. Public Shareholding									
(1) Institutions									
(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	-	-	-	-	-	-	-	-	-
Sub- Total (B)(1)	0	100	100	0.00	0	100	100	0.00	0.00
2. Non- Institutions									
(a) Bodies Corporate	72398	2800	75198	2.26	87527	2800	90327	2.71	0.45
(b) Individuals									
(i) Individual shareholders holding nominal shares capital up to Rs.1 lakh	507630	248586	756216	22.69	526378	267286	793664	23.82	1.13
(ii) Individual shareholders holding nominal shares capital in excess of Rs.1 lakh	570713	0	570713	17.12	510592	0	510592	15.32	-1.80
(c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0
(d) Any Other									
Clearing Members	0	0	0	0.10	1000	0	1000	0.03	0.03
Directors and their Relatives	200	30100	30300	0.91	200	30100	30300	0.91	0.00
Hindu Undivided Families	64110	0	64110	1.92	70704	0	70704	2.12	0.20
Non Resident Indians	160	0	160	0.00	110	0	110	0.00	0.00
	64470	30100	94570	2.84	72014	30100	102114	3.06	0.22
Sub- Total (B)(2)	1215211	281486	1496697	44.91	1196511	300186	1496697	44.91	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	1215211	281586	1496797	44.91	1196511	300286	1496797	44.91	0.00
(C) Shares held by custodians for GDR's and ADR's Receipts have been issued									
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
Total Custodian (C)	0	0	0	0	0	0	0	0	0.00
GRAND TOTAL (A)+(B)+(C)	3051164	281586	3332750	100.00	3032464	300286	3332750	100.00	0.00



Sri Lakshmi Saraswathi Textiles (Arni) Limited

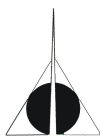
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(ii) Shareholding of promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% 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-01.04.2016		Cumulative Shareholding during the year-31.03.2017		% 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					No Change
	At the beginning of the year 01-Apr-2016	784650	23.54	784650	23.54	
	At the end of the Year 31-Mar-2017	784650	23.54	784650	23.54	
2	R THIRUMALAI					No Change
	At the beginning of the year 01-Apr-2016	226003	6.78	226003	6.78	
	At the end of the Year 31-Mar-2017	226003	6.78	226003	6.78	
3	R. PADMANABHAN					No Change
	At the beginning of the year 01-Apr-2016	223900	6.72	223900	6.72	
	At the end of the Year 31-Mar-2017	223900	6.72	223900	6.72	
4	R RAJAGOPAL					No Change
	At the beginning of the year 01-Apr-2016	220800	6.63	220800	6.63	
	At the end of the Year 31-Mar-2017	220800	6.63	220800	6.63	
5	R PADMINI					No Change
	At the beginning of the year 01-Apr-2016	210600	6.32	210600	6.32	
	At the end of the Year 31-Mar-2017	210600	6.32	210600	6.32	
6	SHANTHA SRIHARI					No Change
	At the beginning of the year 01-Apr-2016	170000	5.10	170000	5.10	
	At the end of the Year 31-Mar-2017	170000	5.10	170000	5.10	



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

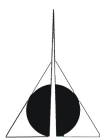
(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year-01.04.2016		Cumulative Shareholding during the year ending 31.03.2017	
		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-2016	184100	5.52	184100	5.52
	At the end of the Year 31-Mar-2017	184100	5.52	184100	5.52
2	R N RUBESH JT1 : N LALITHA				
	At the beginning of the year 01-Apr-2016	86606	2.60	86606	2.60
	At the end of the Year 31-Mar-2017	86606	2.60	86606	2.60
3	RATHINASAMY NARAYANASAMY RUBESH				
	At the beginning of the year 01-Apr-2016	48594	1.46	48594	1.46
	Sale 30-Jun-2016	-48594	1.46	0	0.00
	At the end of the Year 31-Mar-2017	0	0.00	0	0.00
	R N RUBESH				
	At the beginning of the year 01-Apr-2016	3684	0.11	3684	0.11
	At the end of the Year 31-Mar-2017	3684	0.11	3684	0.11
	R N RUBESH				
	At the beginning of the year 01-Apr-2016	790	0.02	790	0.02
	At the end of the Year 31-Mar-2017	790	0.02	790	0.02
	RATHINASAMY NARAYANASAMY RUBESH				
	At the beginning of the year 01-Apr-2016	0	0.00	0	0.00
Purchase 30-Jun-2016	48594	1.46	48594	1.46	
At the end of the Year 31-Mar-2017	48594	1.46	48594	1.46	
4	MUKTILAL GANULAL PALDIWAL				
	At the beginning of the year 01-Apr-2016	42658	1.28	42658	1.28
	At the end of the Year 31-Mar-2017	42658	1.28	42658	1.28
5	PRAFUL H BHANDARI				
	At the beginning of the year 01-Apr-2016	29239	0.87	29239	0.88
	Purchase 08-Apr-2016	110	0.00	29349	0.88
	Sale 06-May-2016	-7349	0.22	22000	0.66
	Sale 20-May-2016	-600	0.02	21400	0.64
	Purchase 27-May-2016	7100	0.21	28500	0.86
	Sale 10-Jun-2016	-4000	0.12	24500	0.74
	Sale 17-Jun-2016	-3000	0.09	21500	0.65
	Purchase 08-Jul-2016	98	0.00	21598	0.65
	Sale 12-Aug-2016	-4000	0.12	17598	0.53
	Purchase 26-Aug-2016	2500	0.08	20098	0.60
	Purchase 02-Sep-2016	100	0.00	20198	0.61
	Sale 09-Sep-2016	-2203	0.07	17995	0.54
	Sale 28-Oct-2016	-900	0.03	17095	0.51
	Sale 25-Nov-2016	-500	0.02	16595	0.50
	Sale 02-Dec-2016	-1	0.00	16594	0.50
	Sale 23-Dec-2016	-1500	0.05	15094	0.45
	Sale 30-Dec-2016	-500	0.02	14594	0.44
At the end of the Year 31-Mar-2017	14594	0.44	14594	0.44	



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year-01.04.2016		Cumulative Shareholding during the year ending 31.03.2017	
		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-2016	1451	0.0435	1451	0.0435
	Purchase 06-May-2016	3500	0.1050	4951	0.1485
	At the end of the Year 31-Mar-2017	4951	0.1485	4951	0.1485
	PRAFUL H BHANDARI				
	At the beginning of the year 01-Apr-2016	0	0.00	0	0.00
Purchase 24-Feb-2017	2000	0.06	2000	0.06	
At the end of the Year 31-Mar-2017	2000	0.06	2000	0.06	
PRAFUL H BHANDARI					
At the beginning of the year 01-Apr-2016	0	0.00	0	0.00	
Purchase 09-Dec-2016	1000	0.03	1000	0.03	
At the end of the Year 31-Mar-2017	1000	0.03	1000	0.03	
6	N LALITHA JT1 : R N RUBESH				
	At the beginning of the year 01-Apr-2016	26241	0.79	26241	0.79
	Sale 03-Mar-2017	-400	0.01	25841	0.78
At the end of the Year 31-Mar-2017	25841	0.78	25841	0.78	
7	BHARATKUMAR HIMATLAL KANSARA				
	At the beginning of the year 01-Apr-2016	22000	0.66	22000	0.66
	Sale 27-Jan-2017	-22000	0.66	0	0.00
	At the end of the Year 31-Mar-2017	0	0.00	0	0.00
	BHARATKUMAR HIMATLAL KANSARA				
	At the beginning of the year 01-Apr-2016	0	0.00	0	0.00
Purchase 27-Jan-2017	22000	0.66	22000	0.66	
At the end of the Year 31-Mar-2017	22000	0.66	22000	0.66	
8	KARUNA BHANDARI				
	At the beginning of the year 01-Apr-2016	20319	0.61	20319	0.61
	Sale 06-May-2016	-3500	0.11	16819	0.50
	Purchase 20-May-2016	275	0.01	17094	0.51
	Purchase 27-May-2016	2100	0.06	19194	0.58
	Sale 03-Jun-2016	-3000	0.09	16194	0.49
	Sale 24-Jun-2016	-510	0.02	15684	0.47
	Sale 14-Oct-2016	-10000	0.30	5684	0.17
	Purchase 28-Oct-2016	263	0.01	5947	0.18
	Purchase 04-Nov-2016	1238	0.04	7185	0.22
	Purchase 11-Nov-2016	200	0.01	7385	0.22
	Sale 02-Dec-2016	-1000	0.03	6385	0.19
	At the end of the Year 31-Mar-2017	6385	0.19	6385	0.19
	KARUNA BHANDARI				
	At the beginning of the year 01-Apr-2016	351	0.01	351	0.01
Purchase 27-May-2016	4649	0.14	5000	0.15	
At the end of the Year 31-Mar-2017	5000	0.15	5000	0.15	
KARUNA BHANDARI					
At the beginning of the year 01-Apr-2016	0	0.00	0	0.00	
Purchase 17-Jun-2016	3600	0.11	3600	0.11	
Purchase 30-Jun-2016	4173	0.13	7773	0.23	
Purchase 30-Dec-2016	4600	0.14	12373	0.37	
At the end of the Year 31-Mar-2017	12373	0.37	12373	0.37	
KARUNA BHANDARI					
At the beginning of the year 01-Apr-2016	0	0.00	0	0.00	
Purchase 20-May-2016	500	0.02	500	0.02	
Purchase 22-Jul-2016	500	0.02	1000	0.03	
At the end of the Year 31-Mar-2017	1000	0.03	1000	0.03	



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year-01.04.2016		Cumulative Shareholding during the year ending 31.03.2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	ABHAY KRISHI UDYOG PVT LTD At the beginning of the year 01-Apr-2016	16263	0.49	16263	0.49
10	At the end of the Year 31-Mar-2017 SAJJANMAL BETALA . At the beginning of the year 01-Apr-2016	16263	0.49	16263	0.49
	At the end of the Year 31-Mar-2017	14691	0.44	14691	0.44
		14691	0.44	14691	0.44

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year-01.04.2016		Cumulative Shareholding during the year ending 31.03.2017	
		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-2016	784650	23.54	784650	23.54
	At the end of the Year 31-Mar-2017	784650	23.54	784650	23.54
2	R. PADMANABHAN (Director & CFO) At the beginning of the year 01-Apr-2016	223900	6.72	223900	6.72
	At the end of the Year 31-Mar-2017	223900	6.72	223900	6.72
3	SAMBASIVAN .R (Director) At the beginning of the year 01-Apr-2016	200	0.01	200	0.01
	Sale 30-Sep-2016	-200	0.01	0	0.00
	At the end of the Year 31-Mar-2017	0	0.00	0	0.00
	R. SAMBASIVAM . At the beginning of the year 01-Apr-2016	0	0.00	0	0.00
	Purchase 30-Sep-2016	200	0.01	200	0.01
	At the end of the Year 31-Mar-2017	200	0.01	200	0.01
4	GEETHA SUNDARARAGHAVAN (Company Secretary) At the beginning of the year 01-Apr-2016	100	0.00	100	0.00
	At the end of the Year 31-Mar-2017	100	0.00	100	0.00



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	341.64	179.90		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
Total (i+ii+iii)	341.64	184.17		525.81
Change in Indebtedness during the financial year				
Additions	0.00	0.00		0.00
Reduction	73.51	125.95		199.46
Net Change	- 73.51	-125.95		-199.46
Indebtedness at the end of the financial year				
i) Principal Amount	268.13	52.75		320.88
ii) Interest due but not paid	0.00	5.47		5.47
iii) Interest accrued but not due	0.00	0.00		0.00
Total (i+ii+iii)	268.13	58.22		326.35



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	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax. 1961. *	21.71	14.42	36.13
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2	Stock option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission as % of profit	Nil	Nil	Nil
	others (specify)	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	21.71	14.42	36.13
	Ceiling as per the Act	Ceiling not applicable, since only minimum remuneration is paid		

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



Sri Lakshmi Saraswathi Textiles (Arni) Limited

B. Remuneration to other directors:

(Rs. in Lakhs)

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Mr. J.M.Grover	Mr.R.Sambasivan	Ms.Sivarani J	Rs.in Lakhs
	(a) Fee for attending board committee meetings	1.60	1.20	1.50	4.30
	(b) Commission	Nil	Nil	Nil	Nil
	(c) Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	1.60	1.20	1.50	4.30
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
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	1.60	1.20	1.50	4.30

(Rs. in Lakhs)

Total Managerial Remuneration (A+B)	40.43
Overall Ceiling as per the Act.	Ceiling not applicable, since only minimum remuneration is paid

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

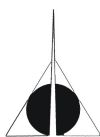
(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO**	Company Secretary	CFO***	Total
1	Gross Salary (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	Not Applicable	8.65	Not Applicable	8.65
2	Stock Option		Nil		
3	Sweat Equity				
4	Commission as % of profit				
5	Others, please specify				
	Total		8.65		8.65

* 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



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)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding	Sec.149	For delay in appointment of Women Director	Rs.50,000/-	RD, MCA Chennai	
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
1) Balakrishna S, Managing Director	Sec.149	For delay in appointment of Women Director	Rs.50,000/-	RD, MCA Chennai	
2) Padmanaban, Wholetime Director	Sec.149	For delay in appointment of Women Director	Rs.50,000/-	RD, MCA Chennai	
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					
1) Balakrishna S, Chief Executive Officer	Sec.149	For delay in appointment of Women Director	Rs.50,000/-	RD, MCA Chennai	
2) Geetha Sundararaghavan Company Secretary	Sec.149	For delay in appointment of Women Director	Rs.50,000/-	RD, MCA Chennai	

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

Place: Chennai
Date : May 26, 2017

(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)

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

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

(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	12,26,808	30.07.2001/ 29.05.2014	12,26,808
Mr.R.Rajagopal	R.Padmanaban	Brother	5,26,609	29.05.2014	5,26,609
Mr.Srish Jayender Balakrishna	Balakrishna S	Son	5,03,228	29.05.2014	5,03,228

* Dates of appointment and latest revision

- (b) Nature of contracts/arrangements/transactions: : Employment
(c) Duration of the contracts / arrangements / transactions : 2016-2017
(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 26, 2017

(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	
(A) Conservation of energy- (i) the steps taken or impact on conservation of energy;	The company conducts periodical energy audit and implements the advice given by the energy audit team. In all machines and areas wherever required energy savings equipments / spares/ component are used to conserve energy	
(ii) the steps taken by the company for utilising alternate sources of energy;	The company as alternate source has installed 1 No. Wind Turbine Generator.	
(iii) the capital investment on energy conservation equipments;	During the year – Nil.	
(B) Technology absorption-	Nil	
(C) Foreign exchange earnings and Outgo		
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 1048.01
	<u>Expenses / Outgo</u> i) Raw Materials purchase	222.13
	ii) Import of spares and components	3.98
	iii) Foreign Travel Expenses	3.43
	iv) Selling Expenses	6.15
	Total	235.69

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

Place : Chennai

Date : May 26, 2017

Annexure – 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The objective of the CSR Policy is to

- Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- To directly or indirectly take up programmes that benefit the communities in & around its work locations and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- To generate, through its CSR initiatives, a community goodwill for SLST and help reinforce a positive & socially responsible image of SLST as a corporate entity.

Weblink to the CSR Policy:

<http://www.slstindia.com>



Sri Lakshmi Saraswathi Textiles (Arni) Limited

2. The Composition of the CSR Committee.

- Sri Balakrishna. S, Chairman of the Committee
- Sri R.Padmanaban, Member
- Ms. Sivarani J, Member

3. Average net profit of the company for last three financial years Rs.(-)1,42,10,210/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above). Nil.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year; Nil

(b) Amount unspent, if any; Not Applicable

(c) Manner in which the amount spent during the financial year is detailed below:

(1) S.No	(2) CSR Project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads	(7) Cumulative expenditure upto to the reporting period	(8) Amount Spent Direct or through implementing agency
1							
2							
3							
Total							

*Give details of implementing agency:

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

--- NOT APPLICABLE ---

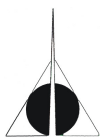
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in Compliance with CSR objectives and Policy of the Company.

Sri.Balakrishna S,

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

Place : Chennai
Date : May 26, 2017



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure – 5

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

<p>(I) The financial summary or highlights;</p> <p>(II) The change in the nature of business, if any;</p> <p>(III) The details of directors or key managerial personnel who were appointed or have resigned during the year;</p> <p>(IV) The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year;</p> <p>(V) The details relating to deposits, covered under Chapter V of the Act,-</p> <p>(VI) The details of deposits which are not in compliance with the requirements of Chapter V of the Act;\</p> <p>(vii) the details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;</p> <p>(viii) the details in respect of adequacy of internal financial controls with reference to the Financial Statements.</p>	<p>The same has already been discussed in the earlier portion of this report.</p> <p>There is no change</p> <p>There is no appointment or resignation of any Directors or any Key Managerial Personnel during the year.</p> <p>Nil</p> <p>The company does not accept deposit from public.</p> <p>No such deposit</p> <p>No such transaction</p> <p>Adequate internal financial controls are in vogue.</p>
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By Order of the Board

Place : Chennai
Date : May 26, 2017

(BALAKRISHNA S)
Chairman & Managing Director



Sri Lakshmi Saraswathi Textiles (Arni) Limited

ANNEXURE – 6

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

FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2017, 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 31.03.2017 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, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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.
- (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:

- (a) *there was no prosecution initiated against the Company during the year under review under the Companies Act, and rules, regulations and guidelines made thereunder. However, the Company had replied to the notice received for default under section 134 read with Section 134(8) and Section 135 read with Section 450 of the Companies Act, 2013 on 22.03.2017.*

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 decisions 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.
- (e) the Company made an application for compounding of offence u/s.149 of the Companies Act, 2013 for delay in Appointment of Women Director and obtained order from Regional Director, Southern Region on 09.08.2016.

For A.K.JAIN & ASSOCIATES
Company Secretaries

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

Place: Chennai
Date: May 18, 2017

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 : May 18, 2017



Sri Lakshmi Saraswathi Textiles (Arni) Limited

Annexure – 7

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

S. No.	Disclosure Requirements	Disclosure				
1.	The ratio of the remuneration of each Director to the median remuneration of the Company for 2016-17, the percentage increase in remuneration of each Director, Chief Finance Officer, Chief Executive Officer and Company Secretary in 2016-17 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 2016-17 (Rs.in Lakhs)	% increase in the remuneration in 2016-17	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	23.28	9%	27	Net Loss was at Rs.516 lakhs during 2016-17 as against loss of Rs.399 lakhs in 2015-16
		R.Padmanaban Joint Managing Director and Chief Financial Officer	15.52	9%	18	Net Loss was at Rs.516 lakhs during 2016-17 as against loss of Rs.399 lakhs in 2015-16
		Geetha Sundararaghavan Company Secretary	9.43	26%	Not Applicable	Net Loss was at Rs.516 lakhs during 2016-17 as against loss of Rs.399 lakhs in 2015-16
2	The percentage increase in the median remuneration of employees in the financial year	5%				
3	The number of permanent employees on the rolls of company;	919				
4	The explanation on the relationship between average increase in remuneration and company performance;	The average increase in remuneration was 3% during 2016-17, whereas the net loss for 2016-17 was Rs.516 lakhs as against Rs.399 lakhs in 2015-16. 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 12% during the year. The turnover and other income decreased by 13% and the loss increased by 0.29 times.				



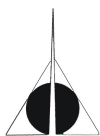
Sri Lakshmi Saraswathi Textiles (Arni) Limited

S.No.	Disclosure 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, 2017 was Rs.10.83 crores (Rs. 9.38 crores as on March, 31 2016) b) The Price Earning Ratio of the company was negative both as on March 31, 2017 and as on March, 31 2016. c) The market quotation as on March, 31 2017 was Rs.32.50 per shares as compared to the last public issue price of Rs.40 per share in May 1994. The decrease in market quotation was 19% as on March, 31 2017 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 3% and whereas that of managerial personnel was 9%.
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 26, 2017

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 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 2017-18 will be at a reasonable level.

v. Risks and concerns

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

vi. Internal control systems and their adequacy

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

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

This has been discussed in detail in the Directors Report.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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 919 employees of all ranks on its rolls.

Annexure – 9

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT.

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

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

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

Place: Chennai
Date: May 26, 2017

Annexure – 10

Declaration in respect of Audit Report with Unmodified Opinion for the Annual Audited Financial Results for the year ended on 31st March 2017

We hereby declare that the Statutory Auditors of the company, M/s.S.Viswanathan LLP, Chartered Accountants, have issued the Audit Report for the year ended on March 31, 2017 with unmodified opinion.

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

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

Place: Chennai
Date: May 26, 2017



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, 2017, the Statement of Profit and Loss and the 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, 2017
- 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:

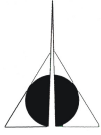
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of 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 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 any pending litigations which would impact its financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts.
 - iii. the Company is not required to transfer, any amount to the Investor Education and Protection Fund.
 - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 28 to the financial statements.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), as amended, 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 the paragraphs 3 and 4 of the Order to the extent applicable.

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

Place: Chennai
Date : May 26, 2017

(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, 2017 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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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
- (3) 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, 2017, 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 26, 2017

(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) LIMITED

Referred to in paragraph 2 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 noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) According to the information and explanations given to us, the Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has not granted 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) 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.
- (vi) Central Government has prescribed maintenance of cost records under sub-section(1) of section 148 of the Companies Act 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, Service Tax, Excise Duty, Duties of Customs, Value added tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, the following dues of Employees State Insurance have not been deposited by the company on account of dispute.

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



Sri Lakshmi Saraswathi Textiles (Arni) Limited

- (viii) According to the information and explanations given to us, the company has not defaulted in the repayment of dues to banks.
- (ix) 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) 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 2013.
- (xii) The Company is not a Nidhi Company. Therefore, Clause (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all 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) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, Clause (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the Order are not applicable to the Company.
- (xvi) The company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

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

Place: Chennai
Date : May 26, 2017

(Chella K Srinivasan)
Partner
Membership number: 023305



Sri Lakshmi Saraswathi Textiles (Arni) Limited

BALANCE SHEET AS AT 31 ST MARCH 2017

Particulars	Note No.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share Capital	1	3,33,27,500	3,33,27,500
(b) Reserves and Surplus	2	<u>7,77,85,646</u>	<u>12,94,20,980</u>
		11,11,13,146	16,27,48,480
Non-current liabilities			
(a) Long-term borrowings	3	0	0
(b) Deferred Tax liabilities (Net)		0	0
Current liabilities			
(a) Short-term borrowings	4	3,20,88,090	5,21,53,601
(b) Trade payables	5	9,08,98,518	6,29,55,597
(c) Other current liabilities	6	6,82,622	10,12,496
(d) Short-term provisions	7	<u>8,36,08,213</u>	<u>7,63,77,581</u>
TOTAL		<u>31,83,90,589</u>	<u>35,52,47,755</u>
Assets			
Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		12,77,57,000	13,26,08,923
(ii) Intangible assets		73,751	1,70,533
(iii) Capital work-in-progress		0	0
Sub Total		<u>12,78,30,751</u>	<u>13,27,79,456</u>
(b) Non-current investments	9	66,70,740	1,06,61,960
(c) Other Non Current Assets	10	1,10,75,327	1,10,75,327
Current assets			
(a) Inventories	11	9,05,83,568	7,20,22,609
(b) Trade receivables	12	1,58,17,974	3,74,62,656
(c) Cash and Bank Balances	13	60,78,724	46,08,440
(d) Short-term loan and advances	14	5,78,55,556	8,36,60,046
(e) Other current assets	15	<u>24,77,949</u>	<u>29,77,261</u>
TOTAL		<u>31,83,90,589</u>	<u>35,52,47,755</u>

NOTES 1 TO 25 AND ADDITIONAL INFORMATION IN NOTE 26, 27 & 28 FORM PART OF THIS BALANCE SHEET

BALAKRISHNA S
Managing Director &
Chief Executive Officer

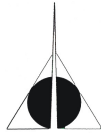
GEETHA SUNDARARAGHAVAN
Company Secretary

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer

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

(Chella K Srinivasan)
Partner
Membership number: 023305

Place: Chennai
Date : May 26, 2017



Sri Lakshmi Saraswathi Textiles (Arni) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

Particulars	Note No.	For the year ended on 31.03.2017 Rs.	For the year ended on 31.03.2016 Rs.
I Revenue from Operations	16	95,11,25,985	108,89,93,508
II Other Income	17	84,42,209	94,16,856
III Total Revenue		95,95,68,194	109,84,10,364
IV Expenses :			
Cost of materials consumed	18	59,19,89,003	65,66,68,056
Purchase of Stock-in-Trade	19	3,47,86,551	3,57,25,404
Changes in inventories of finished goods	20	(2,80,99,548)	1,42,35,695
Change in process stock	21	34,10,196	(71,07,790)
Employee benefits expense	22	12,49,91,254	12,65,09,697
Finance Expenses	23	1,11,86,497	1,05,05,696
Depreciation and amortization expenses	8	1,44,45,223	1,65,77,494
Other expenses	24	24,99,93,116	28,40,60,750
Total Expenses		100,27,02,292	113,71,75,002
V Profit before exceptional and extraordinary items and tax (III-IV)		(4,31,34,098)	(3,87,64,638)
VI Exceptional items	25	1,05,07,632	0
VII Profit before extraordinary items and tax (V-VI)		(5,36,41,730)	(3,87,64,638)
VIII Extraordinary items		0	0
IX Profit before Tax (VII-VIII)		(5,36,41,730)	(3,87,64,638)
X Tax expense :			
(i) Current Tax		0	0
(ii) Deferred Tax		0	0
(iii) Tax relating to earlier years		(20,06,396)	11,61,478
Sub total		(20,06,396)	11,61,478
LESS : MAT Credit written back		0	0
		(20,06,396)	11,61,478
XI Profit/(Loss) for the period from continuing operations after Tax (IX-X)		(5,16,35,334)	(3,99,26,116)
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)		(5,16,35,334)	(3,99,26,116)
Earning Per Share of value Rs.10 each	26(viii)		
Basic		-15.49	-11.98
Diluted		-15.49	-11.98

NOTES 1 TO 25 AND ADDITIONAL INFORMATION IN NOTE 26, 27 & 28 FORM PART OF THIS STATEMENT OF PROFIT & LOSS ACCOUNT

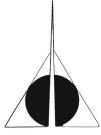
BALAKRISHNA S
Managing Director &
Chief Executive Officer

GEETHA SUNDARARAGHAVAN
Company Secretary

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer
As per our report annexed
For **M/S. S.VISWANATHAN, LLP**
Chartered Accountants
Regn No:04770S/S20025

Place: Chennai
Date : May 26, 2017

(Chella K Srinivasan)
Partner
Membership number: 023305



Sri Lakshmi Saraswathi Textiles (Arni) Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2017

	Year ended on 31-03-2017 Rs.	Year ended on 31-03-2016 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(5,36,41,730)	(3,87,64,638)
Adjustments for :		
Add :- Depreciation	1,44,45,223	1,65,77,494
Finance Expenses	1,11,86,497	1,05,05,696
	<u>(2,80,10,010)</u>	<u>(1,16,81,448)</u>
(Less) / Add :- (Profit) / Loss on sale of assets	(77,523)	(3,80,684)
Interest received	(17,90,430)	(22,21,038)
Operating Profit before Working Capital Changes	<u>(2,98,77,963)</u>	<u>(1,42,83,170)</u>
Adjustments for :-		
Inventories	(1,85,60,959)	1,99,31,344
Receivables	2,16,44,682	(1,24,00,803)
Loans and advances	2,67,04,338	(85,54,978)
Current Liabilities	<u>3,65,40,751</u>	<u>5,81,39,769</u>
Cash Generated from Operations	<u>3,64,50,849</u>	<u>4,28,32,162</u>
Direct taxes paid	(91,212)	(35,76,883)
NET CASH FROM OPERATING ACTIVITIES (a)	3,63,59,637	3,92,55,279
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets and other Capital expenses	(96,43,995)	(73,41,247)
Sale of Fixed assets	5,85,000	5,10,000
Sale/Purchase of shares	36,31,220	(10,47,000)
Interest received	17,90,430	22,21,038
NET CASH FROM INVESTING ACTIVITIES (b)	(36,37,345)	(56,57,209)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Decrease/ Increase in Working Capital Bank Finance	(73,50,551)	(2,09,06,932)
Proceeds from Unsecured Loans and other Loans	(1,27,14,960)	(9,00,000)
Repayment of Term Loans	—	--
Payment of Dividend and tax thereon	—	--
Finance Expenses	(1,11,86,497)	(1,05,05,696)
NET CASH FROM FINANCING ACTIVITIES (c)	(3,12,52,008)	(3,23,12,628)

Contd. 2...



Sri Lakshmi Saraswathi Textiles (Arni) Limited

	Year ended on 31-03-2017 Rs.	Year ended on 31-03-2016 Rs.
Net Change in Cash and Cash Equivalents (a+b+c)	14,70,284	12,85,442
Cash and Cash Equivalents as at 1st April - 2016 (2015)	46,08,440	33,22,998
Cash and Cash Equivalents as at 31st March - 2017 (2016)	60,78,724	46,08,440

/ BY ORDER OF THE BOARD /

BALAKRISHNA S
Managing Director &
Chief Executive Officer

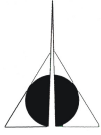
GEETHA SUNDARARAGHAVAN
Company Secretary

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer

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

(Chella K Srinivasan)
Partner
Membership number: 023305

Place: Chennai
Date : May 26, 2017



Sri Lakshmi Saraswathi Textiles (Arni) Limited

NOTES TO ACCOUNTS

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
1 Share Capital		
(a) Authorised :		
(i) 1,50,00,000 Equity Shares of Rs.10/- Each.	15,00,00,000	15,00,00,000
(ii) 50,00,000 Preference Shares of Rs.10/- Each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
	<u>20,00,00,000</u>	<u>20,00,00,000</u>
(b) ISSUED, SUBSCRIBED AND FULLY PAID UP :		
33,32,750 Equity Shares of Rs.10/- Each Fully Paid-up	3,33,27,500	3,33,27,500

	As at 31-03-2017		As at 31-03-2016	
	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 31.03.2017		As at 31.03.2016	
	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

	As at 31-03-2017 Rs.	As at 31-03-2016 Rs.
2 RESERVES AND SURPLUS		
(a) Securities Premium Reserve		
Balance at the beginning of the year	4,43,41,790	4,43,41,790
(b) General Reserve		
Balance at the beginning and at end of the year	15,60,56,728	15,60,56,728
(c) Surplus in statement of Profit and Loss		
Balance as per Statement of Profit and Loss of the previous year	(7,09,77,538)	(3,10,51,422)
Profit/(Loss) for the year	(5,16,35,334)	(3,99,26,116)
Balance in Statement of Profit and loss	<u>(12,26,12,872)</u>	<u>(7,09,77,538)</u>
Total	<u><u>7,77,85,646</u></u>	<u><u>12,94,20,980</u></u>



Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31-03-2017 Rs.	As at 31-03-2016 Rs.
NON-CURRENT LIABILITIES		
3 Long-Term Borrowings	0	0
Current Liabilities	0	0
4 Short-term borrowings		
(A) Loans repayable on Demand - Secured from Banks FROM	Rs.	Rs.
a) Indian Overseas Bank		
(i) Open Loan	97,50,536	1,07,07,382
(ii) Packing Credit	39,25,000	39,25,000
b) State Bank of India		
(i) Open Loan	1,31,37,554	1,95,31,259
(ii) Packing Credit	0	0
(B) Loans repayable on demand - Unsecured from other parties		
(a) Inter Corporate Deposits	0	11,00,000
(b) Short Term Loan from Director	0	20,00,000
(c) Deposits		
(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	0	96,14,960
Total	3,20,88,090	5,21,53,601

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 31.03.2017 Rs.	As at 31.03.2016 Rs.
5 Trade Payables		
Creditors for supplies	9,08,98,518	6,29,55,597
6 Other Current Liabilities		
a. Current maturity of long term borrowings	0	0
b. Interest accrued and due on borrowings	5,46,914	4,26,788
c. Investor Education and Protection Fund (Appropriate amount will be transferred to " Investor Education and Protection Fund", if any, when due) Un-paid dividends (Dividend Warrants posted not encashed)	1,35,708	1,35,708
d. Advance from buyers and other Credits.	0	4,50,000
Total	6,82,622	10,12,496
7 Short-term provisions		
(i) Provision for employee benefits	3,86,63,613	3,60,39,575
(ii) Provision for expenses	4,41,21,338	3,71,33,984
(iii) Provision for taxation	0	1,94,90,301
Less: Tax remittances pending assessment	0	1,77,93,229
Provision for Taxation (net)	0	16,97,072
(iv) Provision for TDS	4,03,206	6,84,884
(v) Provision for GST &VAT	4,20,056	8,22,066
Total	8,36,08,213	7,63,77,581
9 Non-current Investments		
TRADE		
In Equity Instruments Fully Paid Unquoted At Cost		
(a) 265338 Equity shares of Rs.10/- each fully paid in M/s. MMS Steels and Powers Pvt. Ltd.	26,53,380	10,00,000
(b) 5000 Equity shares of Rs.10/- each fully paid in Empee Sugars and Chemicals Ltd.	35,000	0
(b) 393536 Equity shares of Rs.10/- fully paid in Gamma Green Power Pvt. Ltd.	39,35,360	96,14,960
(c) 100 Equity shares of Rs.10/- each fully paid in TCP Power Ltd	47,000	47,000
Total	66,70,740	1,06,61,960
10 Other Non Current Assets:		
MAT Credit Entitlement	1,10,75,327	1,10,75,327



Sri Lakshmi Saraswathi Textiles (Arni) Limited

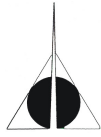
**NOTE No.8
FIXED ASSET SCHEDULE - 2016-17 - AS PER COMPANIES ACT 2013**

ASSET NAME	COST AS ON 01/04/2016 in Rs.	ADDITIONS OF ASSETS in Rs.	DEDU.DUE. TO EXCH.DIFF in Rs.	DEDUCT- IONS in Rs.	COST AS ON 31/03/2017 in Rs.	DEPRECA- TION AS ON 31/03/2016 in Rs.	DEDUCT- IONS in Rs.	CURRENT YEAR DEPREC. in Rs.	TOTAL DEP. AS ON 31/03/2017 in Rs.	W.D.V AS ON 31/03/2017 in Rs.	W.D.V AS ON 31/03/2016 in Rs.
LAND	3457575	1306578			4764153					4764153	3457575
BUILDING	113112558				113112558	79600853		2955210	82556063	30556495	33511705
FURNITURE & FIXTURES	15727229	208750			15935979	14419661		317545	1473206	1198773	1307568
PLANT AND MACHINERY	629829595	8105667		2809276	635125986	540448004	2684833	10173492	547936663	87189323	89381591
OTHER ASSETS	1336502			130325	1206177	1197590	123809	35464	1109245	96932	138912
ELECTRICAL INSTALLATION	32191187				32191187	28906090		599609	29505699	2685488	3285097
VEHICLES	14343906	23000	0	59383	14307523	12901361	42865	267121	13125617	1181906	1442545
LIVESTOCK	83930				83930					83930	83930
TOTAL - CURRENT YEAR	810082482	9643995	0	2998984	816727493	677473559	2851507	14348441	688970493	127757000	132608923
TOTAL - PREVIOUS YEAR	805682867	7341247	0	2941632	810082482	663981076	2812316	16304799	677473559	132608923	141701791
INTANGIBLE ASSETS:											
COMPUTER SOFTWARES - UNIT A	170183				170183	161674			161674	8509	8509
COMPUTER SOFTWARES - UNIT B	1304846				1304846	1142822		96782	1239604	65242	162024
TOTAL - CURRENT YEAR	1475029				1475029	1304496		96782	1401278	73751	170533
TOTAL - PREVIOUS YEAR	1475029				1475029	1031801		272695	1304496	170533	443228
CAPITAL WORK-IN-PROGRESS:								CURRENT YEAR		0	0
BUILDING UNDER CONSTRUCTION								CURRENT YEAR		0	0
								GRAND TOTAL:		127830751	132779456
								PREVIOUS YEAR		132779456	142145019



Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
CURRENT ASSETS		
11 Inventories		
(i) Raw materials :		
(a) Cotton	94,38,390	1,03,59,725
(b) Polyester Staple Fibre	<u>63,66,776</u>	<u>1,13,18,951</u>
	<u>1,58,05,166</u>	<u>2,16,78,676</u>
(ii) Stock - in - Process	1,81,79,705	2,15,89,901
(iii) Finished Goods :		
(a) Yarn	5,10,18,170	2,18,69,970
(b) Cotton waste	<u>12,42,645</u>	<u>22,91,297</u>
	<u>5,22,60,815</u>	<u>2,41,61,267</u>
(iv) Stores and Spares	<u>43,37,882</u>	<u>45,92,765</u>
Total	<u>9,05,83,568</u>	<u>7,20,22,609</u>
Mode of valuation of inventories disclosed in Note No.26		
12 Trade Receivables		
Unsecured - considered Good		
(a) Exceeding six months	16,81,658	17,81,658
(b) Other Debts	<u>1,41,36,316</u>	<u>3,56,80,998</u>
Total	<u>1,58,17,974</u>	<u>3,74,62,656</u>
13 Cash and Bank Balances		
Cash on hand	1,02,992	3,23,704
Bank balances		
In current account	16,24,489	1,70,796
In Deposit account	<u>42,15,535</u>	<u>39,78,232</u>
(Amount in deposit account offered as security margin for LCs issued)		
Unpaid Dividend Account	<u>1,35,708</u>	<u>1,35,708</u>
Total	<u>60,78,724</u>	<u>46,08,440</u>
14 Short-Term Loan and Advances		
Electricity Deposits	2,18,08,437	3,20,57,734
Telephone Deposits	80,194	80,509
ESI Security Deposits	3,03,850	3,03,850
Other Deposits	<u>60,000</u>	<u>60,000</u>
	<u>2,22,52,481</u>	<u>3,25,02,093</u>
Advane Tax and Tax deducted st sources	4,00,536	0
Others advances	<u>3,52,02,539</u>	<u>5,11,57,953</u>
Total	<u>5,78,55,556</u>	<u>8,36,60,046</u>
15 Other Current Assets		
Prepaid expenses	<u>24,77,949</u>	<u>29,77,261</u>
Total	<u>24,77,949</u>	<u>29,77,261</u>



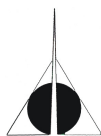
Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
16 Revenue from Operations		
(i) Sale of Products		
Yarn Sales	90,71,03,306	108,17,30,315
Fabric Sales	3,50,50,011	0
Waste Sales	<u>89,72,668</u>	<u>72,63,193</u>
Total	<u>95,11,25,985</u>	<u>108,89,93,508</u>
17 Other Income		
(i) Interest income	17,90,430	22,21,038
(ii) Rent from Employees Quarters	47,608	48,608
(iii) Miscellaneous Sales	7,67,018	2,87,940
(iv) Export Incentive	0	10,85,432
(v) Duty Draw Back Claim received	55,02,841	48,92,275
(vi) Insurance claim Received	2,56,789	5,00,879
(vii) Profit on Sale of Fixed Assets/Investments	<u>77,523</u>	<u>3,80,684</u>
Total	<u>84,42,209</u>	<u>94,16,856</u>
18 Cost of materials consumed		
Opening Stock		
Cotton stock	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>
ADD :- Purchases		
Cotton	32,06,15,537	33,72,09,318
Polyster Staple Fibre	<u>25,00,08,516</u>	<u>28,89,30,017</u>
	<u>57,06,24,053</u>	<u>62,61,39,335</u>
Less :- Closing Stock		
Cotton	94,38,390	1,03,59,725
Viscose Staple Fibre	0	0
Polyster Staple Fibre	<u>63,66,776</u>	<u>1,13,18,951</u>
	<u>1,58,05,166</u>	<u>2,16,78,676</u>
Less :- Sales		
Cotton & PSF	0	0
Raw Material Consumed	57,64,97,563	63,92,79,913
Packing Materials Consumed	<u>1,54,91,440</u>	<u>1,73,88,143</u>
Cost of materials consumed	<u>59,19,89,003</u>	<u>65,66,68,056</u>
19 Purchase of Stock-in-Trade		
Yarn purchase	<u>3,47,86,551</u>	<u>3,57,25,404</u>
20 Changes in inventories of finished goods		
Closing Stock	5,22,60,815	2,41,61,267
Opening Stock	<u>2,41,61,267</u>	<u>3,83,96,962</u>
Net Total	<u>(2,80,99,548)</u>	<u>1,42,35,695</u>
21 Work-in-progress and stock-in-trade		
Closing Stock	1,81,79,705	2,15,89,901
Opening Stock	<u>2,15,89,901</u>	<u>1,44,82,111</u>
	<u>34,10,196</u>	<u>(71,07,790)</u>



Sri Lakshmi Saraswathi Textiles (Arni) Limited

	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
22 Employees Costs		
(i) Salaries Wages and Bonus	10,26,88,242	10,19,58,695
(ii) Contribution to Employees PF & Family Pension Fund	84,38,215	83,37,576
(iii) Provision for contribution to Gratuity Fund	27,16,314	50,48,618
(iv) Workmen & Staff Welfare Expenses	64,45,029	66,79,848
(v) Managerial Remuneration (Ref.Annex.I)	<u>47,03,454</u>	<u>44,84,960</u>
	<u>12,49,91,254</u>	<u>12,65,09,697</u>
23 Finance Expenses		
(a) Interest on Term Loan from Banks	0	0
(b) Interest on working capital borrowing from banks	69,33,555	72,07,473
(c) Interest on other borrowings	34,34,099	23,49,441
(d) Bank Charges	20,80,547	19,30,975
(e) Foreign Exchange Rate Fluctuation	<u>(12,61,704)</u>	<u>(9,82,193)</u>
	<u>1,11,86,497</u>	<u>1,05,05,696</u>
24 Other Expenses		
(i) Power and fuel	17,11,92,088	19,34,90,961
(ii) Fabric Conversion Charges	29,04,329	0
(iii) Repairs & Maintenance		
(a) Building	29,19,752	21,58,341
(b) Machinery	2,58,08,227	3,18,01,101
(c) Others	<u>11,62,989</u>	<u>27,19,109</u>
	<u>2,98,90,968</u>	<u>3,66,78,551</u>
iv) Administrative Expenses :		
(a) Insurance	14,98,720	13,95,689
(b) Vehicle Maintenance	35,20,965	36,36,331
(c) Rates, Renewal & Taxes	8,02,307	6,84,003
(d) Other Administrative Expenses	<u>1,32,56,010</u>	<u>1,27,09,814</u>
	<u>1,90,78,002</u>	<u>1,84,25,837</u>
v) Selling Expenses		
(a) Commission & Brokerage on Yarn Sales	98,12,557	1,54,01,928
(b) Godown Rent	0	15,000
(c) Freight & Other selling expenses	<u>1,71,15,172</u>	<u>2,00,48,473</u>
	<u>2,69,27,729</u>	<u>3,54,65,401</u>
Total	<u>24,99,93,116</u>	<u>28,40,60,750</u>
25 Exceptional items		
Unrecoverable advances for cotton purchases written off	<u>1,05,07,632</u>	<u>0</u>
	<u>1,05,07,632</u>	<u>0</u>
Annx.I		
Managerial Remuneration		
(a) Salary, bonus and exgratia	34,80,000	31,80,000
(b) Contribution to PF	2,37,600	2,16,000
(c) Medical Reimbursement	1,63,112	1,49,969
(d) Provision for Gratuity	3,92,742	5,18,991
(e) Directors Sitting Fees	<u>4,30,000</u>	<u>4,20,000</u>
	<u>47,03,454</u>	<u>44,84,960</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

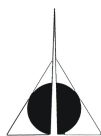
The power generated at Wind Mill is fully consumed at mills and the maintenance expenses of the wind mills and cost of wheeling of power is charged to Statement of profit and loss.

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.
- 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.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

- 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.

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.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

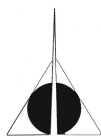
(Rs.in Lakhs)

Details	As at 31.03.2017	As at 31.03.2016
a) Contingent Liabilities		
Contingent Liabilities not provided for in respect of		
1. Export Bills Discounted under irrevocable Letters of Credit issued by Foreign Banks	113.80	81.32
2. Disputed Income Tax Liabilities	0.00	0.00
3. Disputed Contribution to Employees State Insurance Corporation	4.15	4.15
b) Commitments		
1. Estimated amounts of contracts remaining to be executed on capital accounts not provided for	0.00	0.00
2. Other commitments:		
Liabilities on Letters of Credit issued for capital goods.	0.00	0.00
Liabilities on Letters of Credit issued for others	230.12	240.96

- ii) Gratuity

The company has not funded gratuity liability for as per actuarial valuation for the last 7 years and the total amount to be funded is Rs.2,32,76,953.

- 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	2016-17 Rs.	2015-16 Rs.
Statutory Audit	2,50,000	2,50,000
Tax Audit	23,000	22,800
Certification work	9,200	12,534
Other Taxation Matters	—	—
Cost Audit Fees	50,000	50,000
Internal Audit	2,00,000	1,77,000
Certification work – Internal Auditor	9,200	25,691
Total	5,41,400	5,38,025

- 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	2016-17 Rs.	2015-16 Rs.
a) Defined Contribution Plan Employers Contribution to Provident Fund	65,46,364	63,83,618
b) Details of the post retirement Gratuity Plan (funded)		
Defined benefit obligation at the beginning of the year	3,12,26,741	2,62,32,241
Benefit paid during the years	9,68,927	4,22,913
Income earned from the asset	3,84,168	3,68,796
Current years contribution	27,16,313	50,48,617
Defined benefit obligation at the end of the period	3,33,58,295	3,12,26,741

ix) Earning Per Share:

Details	2016-17 Rs.	2015-16 Rs.
Net Profit/ Loss after Tax (A)	-5,16,35,334	-3,99,26,116
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)	-15.49	-11.98
Reconciliation of weighted average number of equity shares		
No.of shares at the beginning of the year	33,32,750	33,32,750
No.of shares at the end of the year	33,32,750	33,32,750
Adjusted weighted average No.of equity shares	33,32,750	33,32,750



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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
i) Sri Balakrishna S	Employed as Managing Director & Chief Executive Officer
ii) Sri R.Padmanaban	Joint Managing Director & Chief Financial Officer
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	
	2016-17 Rs.	2015-16 Rs.
i) Sri Balakrishna S, Managing Director & Chief Executive Officer (excluding provision for gratuity)	23,28,247	21,27,569
ii) Sri R.Padmanaban, Joint Managing Director & Chief Financial Officer (excluding provision for gratuity)	15,52,465	14,18,400
iii) Sri R.Thirumalai, Production Manager	12,26,808	11,15,280
iv) Sri R.Rajagopal, Administrative Manager	5,26,609	4,42,512
v) Sri Srish Jayender Balakrishna, Marketing Manager	5,03,228	4,49,664

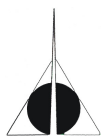
xi) Deferred Tax Liability Net:

Details	2016-17 Rs.	2015-16 Rs.
Deferred tax liability at the beginning of the year	Nil	Nil
Add/ Loss Transfer from / To Profit and loss account during 2016-17	Nil	Nil
Closing Balance Deferred Tax liability	Nil	Nil

Breakup details

Details	2016-17 Rs.	2015-16 Rs.
<u>Deferred Tax Liability</u> Tax Liability on difference between book depreciation and depreciation under the Income Tax Act 1961.	1,19,08,005	1,18,82,137
<u>Deferred Tax Assets</u> Tax effect on timing difference of certain expenses	(4,18,25,348)	(2,45,05,810)
Deferred Tax Liability / (assets)	(2,99,17,343)	(1,26,23,672)

The company does not reckon deferred tax asset.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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

	2016-17 Rs.	2015-16 Rs.
1. C.I.F.Value of Imports during the year		
(a) Raw Materials	2,22,12,552	31,67,943
(b) Components and spares	3,97,574	3,73,204
2. Expenditure in Foreign Currency		
(a) Interest	0	0
(b) Travels	3,42,981	2,56,527
(c) Selling Expenses	6,15,245	10,05,142
3. (a) Value of imported Raw Materials consumed	2,58,33,613	6,59,244
(b) Percentage of the above to total consumption	4.48	0.10
(c) Value of indigenous Raw materials consumed during the year	55,06,63,950	63,86,20,669
(d) Percentage of the above to total consumption	95.52	99.90
(e) Value of imported Stores and Spares consumed during the year	4,93,230	4,77,897
(f) Percentage of the above to total consumption	1.79	1.55
(g) Value of indigenous Stores and spares consumed during the year	2,70,76,872	3,04,94,824
(h) Percentage of the above to total consumption	98.21	98.45
4. Earnings in Foreign currency during the year		
(a) Export of Goods in FOB Value	10,37,25,712	11,18,87,146
(b) Others	Nil	Nil
5. (a) Amount remitted during the year in Foreign currency on account for dividend	Nil	Nil
(b) No. of Non-resident Shareholders	Nil	Nil

NOTE NO. 28

Details of specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016.

	SBNs Rs.	Other Denomination Notes Rs.	Total Rs.
Closing Cash in hand as on 08.11.2016	29,27,000	3,92,334	33,19,334
(+) Permitted Receipts	0	35,00,341	35,00,341
(-) Permitted Payments	39,500	32,17,771	32,57,271
(-) Amount deposited in Banks	28,87,500	0	28,87,500
Closing cash in hand as on 30.12.2016	0	6,74,904	6,74,904

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

(CIN L17111TN1964PLC005183)

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

Email: slst@vsnl.com

Web: www.slstindia.com

Phone: 044 28223132 / 28277344

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting of the Company, to be held on Wednesday, August 30, 2017 at 2.30 PM at Rani Seethai Hall, 603 Mount Road, Chennai-600 006 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Resolutions	Optional	
		For	Against
	ORDINARY BUSINESS		
1.	Adoption of Financial Statements for the year ended 31st March 2017		
2.	Re-appointment of Mr.R.Padmanaban, who retires by rotation.		
3.	Appointment of M/s.B.Purushottam & Co, Chartered Accountants, as Statutory Auditor and fixing their remuneration.		
	SPECIAL BUSINESS		
4.	Ratification of remuneration payable to Cost Auditor for the financial year ending 31.03.2018.		

Signed this day of 2017

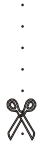
Signature of shareholder.....

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 53rd 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)

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Email: slst@vsnl.com

Web: www.slstindia.com

Phone: 044 28223132 / 28277344

ATTENDANCE SLIP

53rd ANNUAL GENERAL MEETING

2017

I/We hereby record my/our presence at the 53rd Annual General Meeting of the Company at Rani Seethai Hall, 603 Mount Road, Chennai-600 006 on Wednesday, August 30, 2017 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 2016-17 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 2016-17 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 OR SWEET BOXES WILL BE DISTRIBUTED

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

Map showing location of venue of 53rd Annual General Meeting

Venue Address: Rani Seethai Hall, 603 Mount Road, Chennai -600 006, Tamil Nadu

