



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

48 th
Annual Report 2011 - 2012



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

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SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

BOARD OF DIRECTORS

SRI. R. SRIHARI	Managing Director
SRI. BALAKRISHNA S	Whole time Director
SRI. R.PADMANABAN	Technical Director
SRI J. M. GROVER	
SRI R. SAMBASIVAN	

BANKERS

Indian Overseas Bank
Chennai House
Esplanade
MADRAS 600 108

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

AUDITORS

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

REGISTERED OFFICE

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

FACTORY

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

REGISTRARS & SHARE TRANSFER AGENTS

Cameo Corporate Services Limited
Subramanian Building,
No.1 Club House Road,
Chennai 600 002

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Eighth Annual General Meeting of the Company will be held at 02.30 P.M. on Friday, September 28, 2012 at Rani Seethai Hall, 603 Mount Road, Chennai-600 006, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March 2012, the Audited Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Sri J M Grover who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Sri Balakrishna S, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To re-appoint Sri R Srihari, Managing Director, for a period of 3 years and to approve his remuneration

To consider and if thought fit, to pass with or without modification the following resolution as a SPECIAL RESOLUTION.

“RESOLVED THAT, pursuant to Sections 269, 198(4), 309(3) and 310 and other applicable provisions of the Companies Act, 1956, if any, Sri R Srihari, be and is hereby re-appointed as Managing Director of the Company for a period of 3 years from 01.04.2012 to 31.03.2015 and that he may be paid remuneration in accordance with Part II of Schedule XIII as detailed below from 01.04.2012 to 31.03.2015.

- a) Salary Rs.60,000/- per month
- b) Allowance of 2/3rd of salary per month.
This allowance is not to be taken into account for the purpose of calculation of employer's contribution to provident fund and gratuity payable.
- c) Perquisites
 - i) Contribution to provident fund to the extent not taxable under the Income Tax Act, 1961.
 - ii) Gratuity at the rate not exceeding half-a-months salary for each completed year of service.
 - iii) Medical Reimbursement - Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years.

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

d) Provision of Car for use on Company's business, telephone at residence and mobile phones will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purpose shall be billed by the Company to the Individual appointee concerned.

6. To re-appoint Sri Balakrishna. S, Wholetime Director, for a period of 3 years and to approve his remuneration

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

"RESOLVED THAT, pursuant to Sections 269, 198(4), 309(3) and 310 and other applicable provisions of the Companies Act, 1956, if any, Sri Balakrishna.S, who fulfill the conditions laid down in Part I of Schedule XIII, be and is hereby re-appointed as Wholetime Director of the Company for a period of 3 years from 01.04.2012 to 31.03.2015 and that he may be paid remuneration in accordance with Part II of Schedule XIII as detailed below from 01.04.2012 to 31.03.2015.

a) Salary Rs.54,000/- per month

b) Allowance of 2/3rd of salary per month.

This allowance is not to be taken into account for the purpose of calculation of employer's contribution to provident fund and gratuity payable.

c) Perquisites

i. Contribution to provident fund to the extent not taxable under the Income Tax Act, 1961.

ii. Gratuity at the rate not exceeding half-a-months salary for each completed year of service.

iii) Medical Reimbursement - Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years.

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

- d) Provision of Car for use on Company's business, telephone at residence and mobile phones will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purpose shall be billed by the Company to the Individual appointee concerned.

7. To re-appoint Sri R Padmanaban, Technical Director, for a period of 3 years and to approve his remuneration

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

“RESOLVED THAT, pursuant to Sections 269, 198(4), 309(3) and 310 and other applicable provisions of the Companies Act, 1956, if any, Sri R Padmanaban, who fulfill the conditions laid down in Part I of Schedule XIII, be and is hereby re-appointed as Technical Director of the Company for a period of 3 years from 01.04.2012 to 31.03.2015 and that he may be paid remuneration in accordance with Part II of Schedule XIII as detailed below from 01.04.2012 to 31.03.2015.

a) Salary Rs.36,000/- per month

b) Allowance of $2/3^{\text{rd}}$ of salary per month.

This allowance is not to be taken into account for the purpose of calculation of employer's contribution to provident fund and gratuity payable.

c) Perquisites

i. Contribution to provident fund to the extent not taxable under the Income Tax Act, 1961.

ii. Gratuity at the rate not exceeding half-a-months salary for each completed year of service.

iii) Medical Reimbursement - Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years.

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

d) Provision of Car for use on Company's business, telephone at residence and mobile phones will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purpose shall be billed by the Company to the Individual appointee concerned.

By Order of the Board

Place : Chennai
Date : 8th August 2012

(R. SRIHARI)
Chairman & Managing Director

NOTE:

1. 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.
2. 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.
3. Members/ Proxies are requested to bring the attendance slip duly filled in for attending the meeting
4. Members who hold shares in the de-materialised form are requested to bring their depository account number for easier identification of attendance at the meeting
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2012 to September 28, 2012 (both days inclusive).
6. The ISIN No. allotted to the equity shares of your company for the purpose of de-materialization is **INE456D01010**
7. 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.
8. Pursuant to the provisions of Sec. 205A and 205C, the dividend for the year 2004-05 and subsequent dividends, which remains unpaid or unclaimed for a period of seven years will be transferred to the investor education and protection fund of the Central Government. Members who have not encashed their dividend warrants for the year 2004-05 or any subsequent financial years, are requested to make their claim to the company. Unclaimed Dividend for the year 2003-04 was transferred to the Investor Education and Protection Fund of the Central Government on 10th September 2011. Unclaimed dividend for the year 2004-05 will be transferred to the investor education and protection fund of the Central Government on 12th August 2012. Members cannot make any claim after the amount is transferred to the fund.

Year	Interim / Final	Record Date	%
2005-2006	Final	25.08.2006	15%
2006-2007	Interim	30.03.2007	15%
2007-2008	Nil	--	Nil
2008-2009	Nil	--	Nil
2009-2010	Nil	--	Nil
2010-2011	Nil	--	Nil
2011-2012	Nil	--	Nil

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

- a. Madras Stock Exchange Limited,
Exchange Building
P B No. 183, 11, 2nd Line Beach
CHENNAI 600 001

- b. Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
MUMBAI 400 023

The company has paid the listing fees for 2012-13 to both the stock exchanges.

10. At this Annual General Meeting, Sri J M Grover and Sri Balakrishna S retire by rotation and being eligible, offer themselves for reappointment.

Sri J M Grover, former Deputy Director and Head Mechanical Processing Spinning Division ATIRA is an eminent textile expert. He has been on the Board of Directors of the company since June 1997.

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

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

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

By Order of the Board

Place : Chennai
Date : 8th August 2012

(R. SRIHARI)
Chairman & Managing Director

**EXPLANATORY STATEMENT PURSUANT TO
SECTION 173(2) OF THE COMPANIES ACT, 1956:**

- Sub 5 Sri R Srihari, Managing Director, Sri Balakrishna S, Wholetime Director and
Sri R.Padmanaban, Technical Director, were re-appointed by the
To Shareholders for a period of 3 years from April 1, 2009 to March 31, 2012 at
the 45th Annual General Meeting held on September 25, 2009. Under the able
Sub 7 guidance of these Directors, the Company has made good progress. The
Board considers that their continued guidance and services are necessary to
the Company in the coming years also. The remuneration proposed is in
accordance with the provisions of the Companies Act, 1956.

The proposed Resolutions are to obtain the approval of the Shareholders for the reappointment of these three Directors for a period of 3 years from April 1, 2012 and payment of Remuneration from April 1, 2012, which have already been approved by the Board at its Meeting held on February 15, 2012 as recommended by the Remuneration Committee at its Meeting held on February 15, 2012.

Sri R.Srihari and Sri Balakrishna S, are interested in Resolutions 5 and 6

Sri R.Padmanaban is interested in Resolution 7.

By Order of the Board

Place : Chennai
Date : 8th August 2012

(R. SRIHARI)
Chairman & Managing Director

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

FORTY EIGHTH ANNUAL REPORT

DIRECTORS' REPORT

Ladies and Gentlemen,

Your Directors present the Forty Eighth Annual Report of the Company alongwith the audited statement of accounts for the year ended 31st March 2012.

WORKING RESULTS

Details	Rs.	Rs.
Loss before financial charges and depreciation from business operations.		-2,44,08,356
Less:-		
1) Financial Charges	3,78,45,703	
2) Depreciation	<u>3,25,57,574</u>	<u>7,04,03,277</u>
Loss before Tax		-9,48,11,633
Add provision for Current Year Tax	31,000	
Less: Reduction in deferred tax liability	<u>-1,78,48,245</u>	-1,78,17,245
Loss for the year		----- -7,69,94,388
Add :- Loss brought forward		-2,09,83,837
Loss carried forward		-9,79,78,225
Balance Carried Over		-9,79,78,225

PRODUCTION AND SALES

Production of yarn during the year was 50.78 lakhs kgs as against 50.45 lakhs kgs in the previous year. The quantity and value of yarn sold were 51.62 lakhs kgs. and Rs.96.63 Crores as against 50.13 lakhs kgs and Rs. 100.19 Crores.