

**SRI LAKSHMI SARA SWATHI TEXTILES
(ARNI) LIMITED**

58 th
Annual Report 2021 - 2022

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

ANNUAL REPORT 2021-22



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

Ms. SIVARANI J
Director

SRI S.SRIDHARA RAO
Director

Company Secretary
SRI JITENDRA KUMAR PAL

REGISTERED OFFICE

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

Email ID of the grievance redressal division
cs@slstarni.com

Website:
www.slstindia.com

FACTORY ADDRESS

Door No.1755, Raghunathapuram,
Sevoor Village,
PIN 632 316
Arni Taluk, Tiruvannamalai District, Tamil Nadu

REGISTRARS & SHARE TRANSFER AGENTS

Cameo Corporate Services Limited
Subramanian Building,
No.1 Club House Road,
Chennai 600 002
Phone No: 044-28461989
Email: investor@cameoindia.com

BANKERS

Indian Overseas Bank
Chennai House
Esplanade
Chennai - 600 108

State Bank of India,
Leather & International Branch,
First Floor,
157, Anna Salai,
Chennai - 600 002.

AUDITORS :

STATUTORY AUDITORS

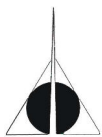
M/s.S B S B and Associates
Chartered Accountants
Old No.H43/1, New No.H13
5th Street, Anna Nagar East
Chennai – 600 102

SECRETARIAL AUDITORS

M/s. A.K.JAIN & ASSOCIATES
Company Secretaries
No. 2, Raja Annamalai Road,
First Floor, Purasawalkam,
Chennai - 600 084

INTERNAL AUDITORS

G. Natesan and Co.
B-9, Kanakambujam Apartments,
No.14, 6th Avenue,
Ashok Nagar,
Chennai – 600 083.



Sri Lakshmi Saraswathi Textiles (Arni) Limited

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 58th Annual General Meeting of the Company will be held on Friday, 12th August 2022 at 02.30 P.M through Video Conferencing / Other Audio Visual Means (VC) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31st March 2022 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 Financial Statements of the company for the year ended 31st March 2022 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 Ms. Sivarani J (holding DIN 02304269) who retires by rotation and being eligible, offers herself for reappointment.

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

"RESOLVED that Ms. Sivarani J (holding DIN 02304269) as Director, who retires by rotation and being eligible for reappointment, be elected as a Director of the Company".

SPECIAL BUSINESS

3. To appoint Sri. S. Sridhara Rao (holding din 06927991) as an Independent Director (Non-Executive Director) of the company

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

"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act") read with Schedule IV to the Act, the Companies (Appointment and qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, Sri. S. Sridhara Rao (holding din 06927991) who was appointed as an Additional Director (in the capacity of a Non-Executive Independent Director) of the Company by the Board of Directors at its meeting held on February 1, 2022 pursuant to Section 161 of the Act and as recommended by the Nomination and Remuneration Committee and whose term of office expires at this Annual General Meeting (AGM) and in respect of whom the company has received a notice in writing from a member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Non-Executive Director of the Company who hold office for term of 5 (five) consecutive years commencing from February 1, 2022, whose period of office will not be liable to determination by retirement of directors by rotation.

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



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4. To re-appoint Sri Balakrishna. S, (holding din 000084524), as Managing Director, for a period of 3 years w.e.f 01.04.2022 and to approve his remuneration

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

“RESOLVED THAT, pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V to the Companies Act 2013, Sri Balakrishna S, be is hereby re-appointed as Managing Director of the company for a period of 3 years from 01.04.2022 to 31.03.2025 and that he may be paid remuneration which is in accordance with Schedule V of Companies Act 2013 as detailed below from 01.04.2022 to 31.03.2025.

- a) Salary Rs.1,45,200/- per month from 01.04.2022 and an annual increment of 10% of salary from 01.04.2022 onwards on a cumulative basis.
- 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) Bonus as applicable to other employees of the company.
- d) Perquisites

- i. Contribution to provident fund to the extent not taxable under the Income Tax Act, 1961.
- ii. Gratuity at the rate not exceeding half-a-months salary for each completed year of service.
- iii. Medical Reimbursement - Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years.

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

- e) 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.

5. To re-appoint Sri R Padmanaban, (holding din 00084579) as Joint Managing Director, for a period of 3 years w.e.f. 01.04.2022 and to approve his remuneration

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

“RESOLVED THAT, pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V to the Companies Act 2013, Sri R.Padmanaban, be and is hereby re-appointed as Joint Managing Director of the Company for a period of 3 years from 01.04.2022 to 31.03.2025 and that he may be paid remuneration which is in accordance with Schedule V of Companies Act 2013 as detailed below from 01.04.2022 to 31.03.2025.

- a) Salary Rs.98,010/- per month from 01.04.2022 and an annual increment of 10% of salary from 01.04.2022 onwards on a cumulative basis.
- 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) Bonus as applicable to other employees of the company.
- d) Perquisites
 - i. Contribution to provident fund to the extent not taxable under the Income Tax Act, 1961
 - ii. Gratuity at the rate not exceeding half-a-months salary for each completed year of service.
 - iii. Medical Reimbursement - Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years.



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

- e) 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 approve the remuneration of the Cost Auditor for the financial year ending March 31, 2021 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
- "RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 6 of The Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. S V M & Associate, Sri N Sivashankaran, Cost Accountant, (Firm Registration No.000536) be and are hereby appointed as the Cost Auditor of the Company to conduct audit of cost records made and maintained by the Company for the financial year 2020-2021 at a remuneration of Rs.80,000/- (Rupees Eighty Thousand Only) and government tax/ duty if any on the fee and traveling and out of pocket expenses 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."
7. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2022 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
- "RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 6 of The Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. S V M & Associate, Sri N Sivashankaran, Cost Accountant, (Firm Registration No.000536) be and are hereby appointed as the Cost Auditor of the Company to conduct audit of cost records made and maintained by the Company for the financial year 2021-2022 at a remuneration of Rs.80,000/- (Rupees Eighty Thousand Only) and government tax/ duty if any on the fee and traveling and out of pocket expenses 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."
8. To approve the remuneration of the Cost Auditor for the financial year ending March 31, 2023 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
- "RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 6 of The Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. S V M & Associate, Sri N Sivashankaran, Cost Accountant, (Firm Registration No.000536) be and are hereby appointed as the Cost Auditor of the Company to conduct audit of cost records made and maintained by the Company for the financial year 2022-2023 at a remuneration of Rs.80,000/- (Rupees Eighty Thousand Only) and government tax/ duty if any on the fee and traveling and out of pocket expenses be and is hereby ratified and confirmed."

For and on behalf of the Board

Place : Chennai
Date : May 30, 2022

(BALAKRISHNA S)
Chairman & Managing Director



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NOTE:

1. The statement pursuant to Section 102 of Companies Act 2013, which sets out details relating to Special Business at the meeting is annexed hereto.
2. Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD/11/CIR/PI/2020/179 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
3. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC portal / e-voting portal.
6. The Register of Members and Share Transfer Books of the Company will remain closed from August 6, 2022 to August 12, 2022 (both days inclusive).
7. The ISIN No. allotted to the equity shares of your company for the purpose of de-materialization is **INE456D01010**
8.
 - a. 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.
 - b. Members may please note that as per SEBI (LODR) Regulations 2015, requests for effecting transfer of securities, except in case of transmission or transposition of securities, shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. 01.04.2019.
 - c. In order to avoid any inconvenience in the future in dealing with the shares of the company, members are advised to update their PAN and Bank account details by submitting the following documents to the Registrar & Transfer Agent – Cameo Corporate Services Limited.
 - Copy of self- attested PAN card of the shareholders including joint holders, if any.
 - Bank a/c details of the first/sole shareholder.
 - Original cancelled cheque leaf with the name of the first/sole shareholder printed on it or copy of bank passbook showing name & account details of the account holder attested by the bank.
9.
 - a) Members holding shares in physical form are requested to register their email ids with the registrar / company for the purpose of sending Notice, Annual Reports and other communication by electronic mode.



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

c) In compliance with the Circulars, the Annual Report 2021-22, the Notice of the 58th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

10. SHAREHOLDER INSTRUCTIONS FOR E-VOTING AND ATTENDING THE AGM THROUGH VC/OAVM

- a) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- b) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- c) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- d) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- e) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- f) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.slstindia.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.



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- g) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

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

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins at 9.00 AM on August 9, 2022 and ends at 5.00 PM on August 11, 2022. 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 August 5, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:



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Type of shareholders	Login Method
Individual Share-holders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting