

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LTD

CIN: L17111TN1964PLC005183

Registered Office: No. 16, Krishnama Road, Nungambakkam, Chennai 600 034

Email: slst@slstarni.com | Website: www.slstindia.com | Ph: 0091 - 44 - 28277344

**NOTICE OF MEETING OF THE SECURED CREDITORS OF
SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED CONVENED AS PER
THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH II CHENNAI
(‘NCLT’ OR ‘TRIBUNAL’)**

MEETING	
Day	Friday
Date	04 th April 2025
Time	12.00 P.M. (IST)
Mode	Video Conferencing / Other Audio Visual Means

E-VOTING	
Commencing on	April 1, 2025 (Tuesday) at 09:00 A.M. (IST)
Ending on	April 3, 2025 (Thursday) at 05:00 P.M. (IST)

E-VOTING DURING THE MEETING:

E-Voting during the meeting would be available for those SECURED Creditors who had not earlier voted through remote e-voting and this facility would be available for an additional 30 minutes post conclusion of the discussion at the aforesaid Meeting.

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Sl.No	Contents	Pages
1.	Notice of the Meeting of the Secured Creditors of Sri Lakshmi Saraswathi Textiles (Arni) Limited under the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and any amendments thereto, convened as per direction of NCLT Chennai.	1 - 6
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The Notice of the Meeting, Statement under Sections 102, 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Scheme of Arrangements) Rules, 2016, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 read with applicable SEBI circulars and Annexure 1 to Annexure 16 constitute a single and complete set of documents and should be read together as they form an integral part of this document.

and to do all such acts, deeds, things and matters, as may be considered necessary to give effect to the aforesaid Scheme and this resolution and to accept such alteration, modification and/or conditions, if any, which may be proposed, required or imposed by the Hon'ble National Company Law Tribunal, Chennai Bench, while sanctioning the said Scheme of Arrangement.

RESOLVED FURTHER THAT the Board may delegate all or any of its powers herein conferred to any Director(s) and / or officer(s) of the Company, to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable, without any further approval from Secured Creditors of the Company."

The quorum for the Meeting shall be 2 (TWO) Secured Creditors. In case the quorum is not present at the designated time, the Meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum.

Copies of the Scheme and of the Statement under Section 230 of the Companies Act, 2013, and other annexures as stated in the Index are enclosed herewith.

Copies of the Scheme of Arrangements and of the Statement under Section 230 read with Section 102 of the Companies Act, 2013 can be obtained free of charge at the Registered Office of the Company.

The Hon'ble Tribunal has appointed Mr. R. Varadharajan, Former Member (Judicial), as the CHAIRPERSON of the said meeting. The Scheme, if approved by the meeting, will be subject to the subsequent approval of the Tribunal. The Chairperson and the Scrutinizer have not verified the correctness and appropriateness of the contents of the notice, explanatory statement and its annexures which is the responsibility of the Company and its officers.

Dated this 25th day of February, 2025.

Sd/-
Balakrishna S
Managing Director
(DIN 00084524)
SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED
CIN: L17111TN1964PLC005183
16, Krishnama Road, Nungambakkam,
Chennai - 600 034,
Tamil Nadu, India

Enclosure: As above

NOTES:

1. The Ministry of Corporate Affairs ('MCA'), has vide their General Circular No. 09/2024 dated September 19, 2024 read with previous General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020 and Securities and Exchange Board of India ("SEBI") has vide their Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/ 2024/133 dated October 03, 2024 (collectively referred to as '**relevant circulars**'), has permitted Companies to hold the meeting through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence at a common venue and also granted relaxation from sending physical copy of the notice to SECURED Creditors.
2. Accordingly, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), relevant Circulars and as per the direction of the Hon'ble NCLT vide orders dated October 8, 2024 passed in CA(CAA)/20/(CHE)/2024 read with revised order(s) dated October 25, 2024 and February 10, 2025 in IA(CA)/17(CHE)2025 this meeting is being held through VC / OAVM. Physical attendance of SECURED Creditors has been dispensed with. Accordingly, the facility for appointment of proxies as directed in the NCLT Order will not be applicable for this meeting and hence the Proxy Form, Attendance Slip and route map being not applicable, are not annexed to this Notice.
3. Pursuant to the provisions of Section 112 and Section 113 of the Act, authorised representatives of the Government / Institution(s) / Body Corporate / Companies who are SECURED Creditors can attend this meeting through VC / OAVM and cast their votes through e-voting. Such SECURED Creditors 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 Scrutinizer by e-mail at vedha@velslawchambers.com (or) the Company by e-mail at cs@slstarni.com
4. The quorum of meeting shall be 2 (TWO) SECURED Creditors. SECURED Creditors attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Pursuant to the provisions of Section 108, 230(4) of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (as amended), Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, relevant Circulars the Company is providing facility of remote e-voting to its SECURED Creditors in respect of the business to be transacted at the meeting. The Chairperson of the meeting shall, at the meeting, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of the Scrutinizer, for

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SECURED CREDITORS**

all those SECURED Creditors who are present at the meeting and have not cast their votes by availing the remote e-voting facility. In this regard, the Company has an existing agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting 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 meeting will be provided by CDSL

6. The e-voting facility with CDSL will be available at the link www.evotingindia.com. The remote e-voting period would commence on **April 1, 2025 (Tuesday) at 09:00 A.M. (IST)** and conclude on **April 3, 2025 (Thursday) at 05:00 P.M. (IST)**. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the SECURED creditor, the SECURED creditor cannot change it subsequently.
7. A person whose name is recorded in the 'List of SECURED Creditors' of the Company as on **Friday, March 28, 2025 ('cut-off date')** shall only be entitled to avail the facility of remote e-voting / voting at the meeting. However, a person who is not a SECURED creditor as on the above date should treat this notice for information purpose only.
8. The SECURED Creditors who have cast their vote by remote e-voting prior to the meeting may also attend the meeting by way of VC/OAVM but shall not be entitled to cast their vote again. The details indicating the process and manner for voting by electronic means, the time, schedule including the time period during which the votes may be cast by remote e-voting, the details of the login ID, the process and manner for generating or receiving the password and for casting of vote in a secure manner are provided to the SECURED Creditors. The procedures and instructions for 'remote e-voting', 'attending the meeting through VC / OAVM' and 'e-voting at the meeting' are furnished as part of this Notice.
9. The Hon'ble Tribunal has appointed Mr.S.Vedhavel, Advocate, as the Scrutinizer for conducting the remote e-voting process and voting at the meeting, in a fair and transparent manner.
10. As per the directions of the Hon'ble NCLT, the Scrutinizer shall submit the Scrutinizer's Report of the total votes cast in favour of or against, if any, to the Chairperson who shall declare the results of remote e-voting and e-voting during the meeting within a period of 3 days from the conclusion of the meeting. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website at www.slstindia.com and also be displayed on the website of CDSL at www.evotingindia.com immediately after the results are declared and simultaneously communicated to BSE Ltd.
11. The Chairperson of the Meeting shall within a period of 3 (three) days of the conclusion of the Meeting i.e. the time fixed by the NCLT, submit a report to the NCLT on the result of the Meeting as per Rule 14 of Companies (Compromise, Scheme of Arrangement) Rules, 2016.
12. The Notice calling the meeting along with the explanatory statement has been uploaded on the website of the Company at www.slstindia.com and can also be accessed from the website of BSE Ltd., at www.bseindia.com. The Notice of the meeting is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the meeting) at www.evotingindia.com.
13. The Notice of the meeting and the accompanying documents mentioned in the Index are being sent through electronic mode to all SECURED Creditors (**as on December 31, 2024**) to the e-mail addresses that are registered with the Company as permitted by the Order of the NCLT. The physical copies of Notice of the meeting is being sent through permitted mode for those SECURED Creditors whose e-mail addresses are not registered with the Company. SECURED Creditors may note that the notice is also available on the website of the Company at www.slstindia.com, websites of the BSE Ltd., at www.bseindia.com and on the website of CDSL at www.evotingindia.com.
14. The Notice convening the Meeting will be published through advertisement in (i) Business Standard (All India Edition) in English language; (ii) Makkal Kural (Tamilnadu Edition) in Tamil language.
15. The material documents referred to in the accompanying Statement shall be open for inspection or for making or obtaining copies by the SECURED Creditors at the Registered Office of the Company during working hours between 10:30 A.M. (IST) and 12:30 P.M. (IST) up to 1 (One) day prior to the date of meeting.
16. SECURED Creditors who would like to express their views / ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, e-mail ID mobile number to cs@slstarni.com before Friday, March 28, 2025 (05:00 P.M. (IST)). The SECURED Creditors who do not wish to speak during the meeting but have queries may also send their queries in the above manner. The Company would endeavour to address these queries suitably. The SECURED Creditors who have registered themselves as speaker will only be allowed to express their views/ ask questions during the meeting. The Chairperson reserves the right to restrict the number of speakers depending on the availability of time for the meeting.
17. 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 e-mail to helpdesk.evoting@cdslindia.com.

INSTRUCTIONS FOR REMOTE E-VOTING & JOINING MEETING THROUGH VC / OAVM

A. The instructions to SECURED Creditors for remote e-voting are as under:

- i) The voting period begins on **Tuesday, April 1, 2025 (09:00 hrs IST)** and ends on **Thursday, April 3, 2025 (17:00 hrs IST)**. During this period the SECURED Creditors, as on the cut-off date of **Friday, March 28, 2025** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Pursuant to Section 230(4) read with Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/ 2020/242 dated December 09, 2020, SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, listed entities are required to provide remote e-voting facility.

Access through CDSL e-Voting system in case of SECURED Creditors

Login method for e-Voting for SECURED Creditors through CDSL is given below:

Type of creditors	Login Method
SECURED Creditors logging in through CDSL e-Voting system	<ol style="list-style-type: none"> 1. SECURED Creditors should log on to the e-voting website www.evotingindia.com during the voting period. 2. Click on 'Shareholders / Members' module. 3. Enter your User ID which is sent to you along with this notice. 4. Next, enter the Image Verification as displayed and click on 'Login' 5. Enter your Password which is sent to you along with this notice. 6. After entering these details appropriately, click on "SUBMIT" tab. 7. Click on the EVSN for the relevant Company on which you choose to vote. 8. 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 the option NO implies that you dissent to the Resolution. 9. Click on the 'RESOLUTION FILE LINK' if you wish to view the entire Resolution details. 10. After selecting the resolution that 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. 11. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. 12. You can also take a printout of the votes cast by clicking on 'CLICK HERE TO PRINT' option on the Voting page. 13. There is also an optional provision to upload BR/POA if any, which will be made available to scrutinizer for verification
<p>Important note: SECURED Creditors who are unable to retrieve User ID / Password are advised to send a request at helpdesk.evoting@cdslindia.com.</p> <p>Helpdesk for SECURED Creditors for any technical issues related to login through CDSL e-Voting System</p>	
Login type	Helpdesk details
SECURED Creditors logging in through CDSL e-Voting system	SECURED Creditors facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

B. Instructions for SECURED Creditors of the Company attending the meeting through VC/OAVM & e-Voting during the meeting are as under:

- i) The procedure for attending meeting & e-Voting on the day of the meeting is same as the instructions mentioned above for e-voting.
- ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting
- iii) Facility to join the Meeting shall be opened thirty minutes before the scheduled time of the Meeting.
- iv) SECURED Creditors who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the meeting.
- v) SECURED Creditors are encouraged to join the Meeting through Laptops / IPads for better experience.
- vi) Further, SECURED Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- vii) Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- viii) Participants who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance mentioning their name, email id, mobile number to cs@slstami.com before Friday, March 28, 2025 (05:00 PM (IST)). The participants who do not wish to speak during the meeting but have queries may too send their queries in advance in the above manner.
- ix) The Company would endeavour to address these queries suitably.
- x) Those participants who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- xi) Those SECURED Creditors, who are present in the meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the meeting.
- xii) If any Votes are cast by the SECURED Creditors through the e-voting available during the meeting and if the same SECURED Creditors have not participated in the meeting through VC/OAVM facility, then the votes cast by such SECURED Creditors shall be considered invalid as the facility of e-voting during the meeting is available only to the SECURED Creditors attending the meeting.

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If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

Dated this 25th day of February, 2025.

Sd/-
Balakrishna S
Managing Director
(DIN 00084524)
SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
CIN: L17111TN1964PLC005183
16, Krishnama Road, Nungambakkam,
Chennai - 600 034, Tamil Nadu, India

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL DIVISION BENCH (COURT II) CHENNAI

FORM NO. CAA-2
[Pursuant to Section 230(3) and Rule 6 and 7]
CA(CAA)/20(CHE)/2024 READ WITH
IA(CA)/17(CHE)2025

IN THE MATTER OF SECTION 230 AND 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF
COMPANIES ACT, 2013 AND
IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN
SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED AND
SLST INDUSTRIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS & CREDITORS

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED,)
A Company incorporated under the Companies)
Act, 1956, having its Registered Office at No.16,)
Krishnama Road, Nungambakkam, Chennai 600 034.)
Represented by its Managing Director Mr.Balakrishna S.).....1STAPPLICANT/ DEMERGED COMPANY

**STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH SECTION 102 OF THE
COMPANIES ACT, 2013 FOR THE MEETING OF SECURED CREDITORS OF SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW
TRIBUNAL, CHENNAI BENCH**

1. This is an explanatory statement accompanying the notice convening the meeting of SECURED Creditors of Sri Lakshmi Saraswathi Textiles (Arni) Limited (Demerged Company) pursuant to the Order dated 08.10.2024 passed by Hon'ble National Company Law Tribunal, Chennai Bench in the application no. CA(CAA)/20(CHE)/2024 read with revised orders dated 25.10.2024 and 10.02.2025, which directed the company to convene separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Demerged Company and convene separate meetings of the equity share holders and Unsecured creditors of the Resulting Company. The meeting of Secured creditors is scheduled on Friday, April 4, 2025 at 12.00 PM to obtain their approval to the Scheme of Arrangement of Sri Lakshmi Saraswathi Textiles (Arni) Ltd, and SLST Industries Ltd, ('Scheme' or 'the Scheme').
2. The Hon'ble National Company Law Tribunal, Chennai Bench, has appointed Mr.R.Varadharajan, Former Member (Judicial), as the Chairperson of the Meeting. The said Order will be available for inspection at the Registered Office of the Applicant Company, Sri Lakshmi Saraswathi Textiles (Arni) Ltd, 16, Krishnama Road, Nungambakkam, Chennai - 600 086, Tamil Nadu, India on any working day of the Company up to the date of meeting, after receipt from the Tribunal.
3. Approval of the SECURED Creditors is sought by way of remote e-voting as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circulars and the Companies Act, 2013.
4. **This meeting is being held through Video- Conferencing / Other Audio Visual Means.** The deemed venue for the meeting shall be the registered office of the Company.
5. The Scheme, inter-alia, provides: The Demerged Company has the following Undertakings:
 - (i) B Mill: A Spinning Mill with installed capacity of 35,088 Ring Spindles, manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (DEMERGED UNDERTAKING) and
 - (ii) A Mill: A Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (REMAINING UNDERTAKING).The present Scheme of Arrangement (Demerger) under Sections 230 to 232 of the Companies Act, 2013, (hereinafter referred to as the 'Scheme') has been propounded between the Demerged Company and the Resulting Company, in the present form, to be implemented with or without such modification(s) as may be caused or imposed or directed by the shareholders and/or by the Tribunal and this Scheme inter-alia providing for the transfer of B Mill of the Demerged Company and vesting of the same in the Resulting Company.
This Scheme is drawn up in compliance with the provisions of section 2 (19AA) of the Income Tax Act, 1961 pertaining to the demerger and should always be read as in compliance of the said section.
6. The Board of Directors of the Demerged Company had at their respective meetings held on April 29, 2022 approved the Scheme. The proposed scheme is envisaged to be effective from the Appointed Date but shall be made operative from the Effective Date (as defined in the Scheme).
7. **Particulars of the Demerged Company**
 1. The SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED "Demerged Company" is a public limited company and was incorporated on May 2, 1964 under the Companies Act, 1956.
 2. The registered office of Demerged Company is at No.16, Krishnama Road, Nungambakkam, Chennai 600 034. The email address of Demerged Company is slst@slstarni.com.

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3. The equity shares of Demerged Company are listed on BSE Ltd.,
4. The Corporate Identification Number of Demerged Company is L17111TN1964PLC005183.
5. The Permanent Account Number of Demerged Company is AABCS2312M.
6. The main objects of the Demerged Company are as follows:
 - a) To carry on business of manufacturing, bleaching, dyeing, printing, selling yarn, cloth and other fabrics made from raw cotton, jute wool and other suitable materials; and generally to carry on the business of Cotton Spinning and Weaving Mill proprietors in all their branches.
 - b) To carry on or to be interested in all or any of the business of cotton spinners and doublers, flax, hemp, jute and wool merchants, wool combers, worsted spinners, woolen spinners, yarn merchants, worsted stuff manufacture, bleachers and dyers, and makers of vitriol, bleaching and dyeing materials and to purchase comb, prepare spindle, dye and deal in flax, hemp, jute, wool, cotton, silk and other fibrous substances, and to weave or otherwise manufacture, buy and sell and deal in linen, cloth and other goods and fabrics, whether textile, trebled, netted or looped, and to supply power.
 - c) To carry on or be interested in all or any of the businesses of pressing and Ginning Mill proprietors, Oil Mill proprietors, Paper Mill proprietors, Ice Manufacturers, Manufactures of chemicals and manures, distillers, dye makes, gas makers, metallurgists and chemical engineers, shop owners and charterers and carriers by land and sea, wharfingers, ware-houseman, barge owners, planters and farmers.
 - d) To carry on the business drapers and furnishing and general warehousemen in all its branches.
 - e) To carry on all or any of the business of silk mercers, silk weavers, cotton spinners, cloth manufactures, furriers, haberdashers, hosiers, manufactures, importers and wholesale and retail dealers of and in textile fabrics of all kinds milliners, dressmakers, tailors, hatters, clothers, outfitters, gloves, lace manufacturers, feather dressers, boot and shoe makers, manufacturers and importers and wholesale and retail dealers of and in leather goods, household furniture, ironmongery, turkey and other household fittings and utensils, ornaments, stationery and fancy goods, dealers in provisions, drug, chemicals and other articles and commodities of personal and household use and consumption and generally of and in all manufactured goods, materials, provisions and produce.
 - f) There has been no change in the name, registered office address and objects of the Demerged Company in the last 5 years.
 - g) The equity shares of the said Demerged Company are listed on BSE Ltd. The total income of the Demerged Company for the financial year ended on 31st March, 2024 was around Rs.12744.50 Lakhs. The Net profit was around Rs. -2019.47 Lakhs. The company has Reserves of around Rs.-5121.17 Lakhs. Copy of the Audited financial statements for the year ended 31st March 2024 and copy of limited reviewed financial results for the period ending 31st December 2024 are annexed herewith respectively as **Annexure- 13** and **Annexure-13A** respectively.

8. a) DEMERGED COMPANY

The Authorised, issued, subscribed and paid-up share capital of the Demerged Company as on date is as under:-

PARTICULARS	AMOUNT IN RS.
Authorised Share Capital	
15,000,000 Equity Shares of Rs.10/- each	150,000,000
5,000,000 Preference shares of Rs.10/- each	50,000,000
Total	20,00,00,000
Issued, Subscribed, and Paid-up Share Capital	
33,32,750 Equity Shares of Rs.10/- each	33,327,500
Total	33,327,500

b) RESULTING COMPANY

The Authorised, Issued, Subscribed and Paid-up share capital of the Resulting Company as on date as follows:

PARTICULARS	AMOUNT IN RS.
Authorised Share Capital	
12,000 Equity Shares of Rs. 9/- each	1,08,000
Total	1,08,000
Issued, Subscribed, and Paid-up Share Capital	
12,000 Equity Shares of Rs. 9/- each	1,08,000
Total	1,08,000

9. The details of the directors and Promoters of the Demerged Company as on December 31, 2024, along with their addresses are as follows

Details of Directors

S.No.	Name and Designation	DIN	Category	Address
1.	Sri. Balakrishna S, Managing Director	00084524	Promoter	Shreyas Karuna Apartments, No.3, 6 th Avenue, 1 st Floor, Harrington Road, Chetpet, Chennai - 600 031
2.	Sri.R.Padmanaban, Wholetime Director	00084579	Promoter	4, Parthasarathy Gardens Chennai - 600 018
3.	Sri.S. Sridhara Rao, Non Executive Director	06927991	Independent Director	50/29 West Circular Road, Mandaiveli, Raja Annamalaipuram, Chennai- 600028
4.	Ms.Sivarani J, Non Executive Director	02304269	Independent Director	73,A, Srinivasaperumal, 2 nd Street, Royapettah, Chennai – 600 014
5.	Ms. Umaa Sharvani, Non Executive Director	10566378	Independent Director	No 2/86, Krishna Avenue, Abhiramapum 4th Street, Chennai - 600 004

Details of Promoters / Promoter Group

S.No.	Name (M/s.)	Category	Address
1.	Sri. Balakrishna S,	Promoter	Shreyas Karuna Apartments, No.3, 6 th Avenue, 1 st Floor, Harrington Road, Chetpet, Chennai - 600 031
2.	Sri R.Thirumalai	Promoter	4, Parthasarathy Gardens CHENNAI - 600 018
3.	Sri.R.Padmanaban,	Promoter	4, Parthasarathy Gardens CHENNAI - 600 018
4.	Sri R.Rajagopal	Promoter	No.2 Valmiki Street T Nagar, Chennai 600017
5.	Mrs.R.Padmini	Promoter	4, Parthasarathy Gardens CHENNAI - 600 018
6.	Mr. Srish Jayender Balakrishna	Promoter	43 College Road Nungambakkam Chennai 600006

10. Particulars of the Resulting Company

- 1) The SLST INDUSTRIES LIMITED "Resulting Company" is a public limited company and was incorporated on October 4, 2018 under the Companies Act, 2013.
- 2) The registered office of Resulting Company is at 16 Krishnama Road, Nungambakkam, Chennai – 600 034. The email address of the Company is slst@slstmills.com
- 3) The equity shares of Resulting Company are not listed on any Stock Exchange.
- 4) The Corporate Identification Number of The Resulting Company is U17299TN2018PLC125103.
- 5) The Permanent Account Number of Resulting Company is ABACS9089F.
- 6) The main objects for which the Resulting Company has been established are set out in its Memorandum of Association. The same has been set out hereunder:
 - a) To carry on the business of spinning and weaving and manufacturing, buying, selling, exporting or importing of yarn cloth and other fabrics made from raw cotton, waste cotton, silk, artificial silk staple fibre, polypropylene, fibre, rayon, wool, polyester, viscose and any blended variety of the aforementioned materials, flex, hemp, jute, wool and silk merchants, growers of mulberry or other trees and producers of any other articles or things whether by cultivation of afforestation or by any other mechanical or chemical or any other material to be converted into cloth, wool, combers, importers and exporters of sheep or other animal breeders and other fibrous substance of synthetic or natural fibres, polyester, viscose and any blended variety of the materials afore mentioned and to carry on the business of cotton growers, silk yarn rearing and such other allied business of farming or as may enable the company to carry on its object effectively and with advantage.
 - b) To carry on or to be interested in all or any of the business of cotton spinners and doublers, flax, hemp, jute and wool merchants wool combers, worsted spinners, woolen spinners, linen manufacturers, drapers woolen spinners, yarn merchants, worsted stuff manufacturers, bleachers and dyers and makers of vitriol, bleaching and dyeing materials and to purchase comb prepare ,spin, dye and deal in flax, hemp, jute, wool, cotton, silk polyester, viscose and other fibrous substances and to weave or otherwise manufacture, buy or

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sell or deal in linen, cloth and other goods and fabrics, whether textile, trebled, netted or looped and to supply power.

- c) To carry on the business of manufacturers, spinners, weavers, knitters, converters, processors, purchasers, sellers, distributors, importers and exporters of all natural synthetic fibres, yarns, fabrics, textiles, hosiery belting, cords, nets, carpets, blankets, tufted textiles, quilts, webs and garments and other textile made up articles of synthetic, natural and man made materials including cotton, wool, silk rayon, polysterm acrylic, glass asbestos, jute, hems, combinations and blend thereof and to purchase or acquire comb, prepare, spin, dye and deal in flex, hemp, jute, woolen, cotton and silk and other fibrous substances and to weave or otherwise manufacture , buy, sell and deal in linen cloth , yarn, manufacture of fibrous and other goods and fabrics, whether textile, felted netted or looped.
- d) To manufacture, buy,, sell, import, export and deal in cotton dhotis, sarees, shirting, Suiting, Canvas, multicolor and style prints mercertised calico poplins, double yarns, cone yarns for hosiery, cheese yarns, card yarns, sewing thread yarns, multiplied yarns of all counts and wrap yarns 60s in hanks and cones, tyre card wrap sheets, conveyors and transmission belting, duch fabric and fabric for civil uses, water proof materials and fabrics, matting and other cloth or goods of all kinds whether imitations, leather, rubber or other newly invented materials, health related textile products, medical textile products , auto textile products, defense textile products and all kinds of textile products.
- 7) There has been no change in the name, registered office address and objects of the Resulting Company since its incorporation 2018.
- 8) SLST INDUSTRIES LIMITED, which is the Resulting Company is an unlisted company under the proposed Scheme. The resulting company has not started its business operation since incorporation. Copy of the Audited financial statements for the year ended 31st March 2024 and copy of financial results for the period ending 31st December 2024 are annexed herewith respectively as **Annexure– 14** and **Annexure-14A** respectively.

11. The capital structure of the Resulting Company as on 31st December, 2024 is as under:

Particulars	Amount (in RS.)
Authorized Share Capital	
12000 Equity Shares of Rs.9/- each	1,08,000
Total Authorised Capital	1,08,000
Issued, Subscribed and Paid Up Share Capital	1,08,000
12,000 Equity Shares of Rs.9/- each fully paid up	
Total	1,08,000

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up share capital of SIL.

12. The details of Directors and Promoters of the Resulting Company (as on the date of the Notice) along with their addresses are mentioned herein below

Directors:

S.No.	Name & Designation	DIN	Category	Address
1	R Padmanaban Director	00084579	Non Executive Director	New No 9 Old No 4, Parthasarathy Gardens, Chennai 600018
2	R Thirumalai Director	07569070	Non Executive Director	New No 9 Old No 4, Parthasarathy Gardens, Chennai 600018
3	S Balakrishna Director	00084524	Non Executive Director	No 3 Shreyas Karuna Apartments 1 St Floor 6th Avenue Harrington Road Chetpet Chennai 600031
4	Srish Jayender Balakrishna Director	06455234	Non Executive Director	No 43 College Road Nungambakkam Chennai 600006

Promoters:

S.No.	Name	Category	Address
1	R. Padmanaban	Promoter	New No 9 Old No 4 Parthasarathy Garden Chennai 600018

2	R Padmini	Promoter	New No 9 Old No 4 Parthasarathy Garden Chennai 600018
3	R Thirumalai	Promoter	New No 9 Old No 4, Parthasarathy Gardens, Chennai 600018
4	R Rajagopal	Promoter	No 2 Valmiki Street T Nagar Chennai 600017
5	S Balakrishna	Promoter	No 3 Shreyas Karuna Apartments 1 St Floor 6th Avenue Harrington Road Chetpet Chennai 600031
6	Shantha Srihari	Promoter	Old No,19 New No 43, College Road, Chennai 600006
7	Srish Jayender Balakrishna	Promoter	Old No,19 New No 43, College Road, Chennai 600006
8	Sangeeta Krisna	Promoter	No. 3, 6th Avenue, Harrington Road, Chetput, Chennai 600031

13. RELATIONSHIP BETWEEN THE COMPANIES INVOLVED IN THE SCHEME:

Both SLST ('Demerged Company') and SIL ('Resulting Company') belong to the same group of management.

14. Corporate Approvals

I) Demerged Company (Sri Lakshmi Saraswathi Textiles (Arni) Ltd.,)

- a) The Scheme was placed before the Audit Committee and Committee of Independent Directors of the Demerged Company at their respective meeting held on April 29, 2022. The Audit Committee and Committee of Independent Directors, recommended the Scheme, to the Board of Directors of the Demerged Company.
- b) Upon the recommendation of the Audit Committee and Committee of Independent Directors of the Demerged Company, the Board of Directors of the Demerged Company at its meeting held on April 29, 2022, approved the Scheme of Arrangement as detailed below:

Sr. No.	Name of Director	Voted in favor/against /did not participate or vote
1.	SRI BALAKRISHNA S	In Favour
2.	SRI R. PADMANABAN	In Favour
3.	SRI J M GROVER,	In Favour
4.	MS. SIVARANI J	In Favour
5.	SRI S.SRIDHARA RAO	In Favour

II) Resulting Company (SLST Industries Limited)

The Board of Directors of the Resulting Company have at their meeting held on 29th April 2022 unanimously approved the Scheme. The Directors who voted in favor of / against / did not participate or vote in relation to the Scheme are as follows:

S.No.	Name of Director	Voted in favor/against /did not participate or vote
1	R. PADMANABAN	In Favour
2	R THIRUMALAI	In Favour
3	S BALAKRISHNA	In Favour
4	SRISH JAYENDER BALAKRISHNA	In Favour

15. Salient Features of the Scheme

- a) **Appointed date, Effective date, Record date and Share Exchange Ratio**
- b) **Appointed date:** Appointed date means April 01, 2021 or such other date as may be approved by the Hon'ble Tribunal.
- c) **"EFFECTIVE DATE"** means the later of the dates on which the certified copies of the Order(s) of the Court or Tribunal sanctioning this Scheme of Arrangement (Demerger) are filed with the Registrar of Companies, Tamil

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Nadu Chennai by the Demerged Company and the Resulting Company. Any reference in this section of the scheme said that “On the Scheme becoming effective” or “Upon the Scheme becoming Effective” or “Effectiveness of the Scheme” shall refer to the “Effective Date.

- d) **“RECORD DATE”** means, in respect of demerger of the Demerged Undertaking into the Resulting Company, the date to be fixed by the Board of Directors of the Resulting Company in consultation with the Board of Directors of the Demerged Company, for the purposes of issue and allotment of Equity Shares by the Resulting Company to the equity shareholders of the Demerged Company.
- e) **Share exchange ratio / Issuance of Shares:**
- a. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company in terms of Part-B of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to the equity shareholders of the Demerged Company, whose name is recorded in the register of members and records of the depositories as members of the Demerged Company, as on the Record Date, 1 (one) equity share of Rs. 9/- (Rupees Nine only) each of the Resulting Company credited as fully paid-up for every 1 (one) equity share of Re.1/- (Rupee One only) each held by such shareholder of the Demerged Company (“New Equity Shares”).
 - b. The New Equity Shares to be issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank pari-passu in all respects with the existing equity shares of the Resulting Company after the Record Date including with respect to dividend, bonus entitlement, voting rights and other corporate benefits.
 - c. The Resulting Company, shall, increase its authorised share capital, to the extent required, in order to issue the New Equity Shares under this Scheme in accordance with the procedure prescribed under Section 13, 61 of the Companies Act, 2013.
 - d. The New Shares, to be issued by the Resulting Company pursuant to Clause 10.1 above, shall be issued and allotted to all the members of the Demerged Company in demat form i.e. dematerialized shares into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall also receive the equity shares to be issued by the Resulting Company, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then such shares shall be kept in Demat Suspense Account which shall be operated by the Directors of the Resulting Company for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder’s account with the depository participant are intimated in writing to the Resulting Company, if permitted under Applicable Law.
 - e. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the transition period.
 - f. The New Equity Shares issued and/or allotted pursuant to Clause 10.1, in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Resulting Company.
 - g. In the event the New Equity Shares are required to be issued and allotted to such shareholders of Demerged Company, being non-resident, the issue of such shares shall be in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder (for the time being in force, including, any statutory modifications, re-enactments or amendments made thereto from time to time).
 - h. For the purpose of issue of the New Equity Shares to the equity shareholders of the Demerged Company, the Resulting Company may, if and to the extent required, apply for and obtain the required statutory approvals from the Governmental Authorities for the issue and allotment by the Resulting Company of such New Equity Shares.
 - i. The issue and allotment of the New Equity Shares in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act have been complied with.
 - j. Upon the coming into effect of this Scheme, the Resulting Company shall file the requisite form(s) with the Registrar of Companies for increase of its Authorised share capital and Issued, Subscribed and Fully Paid up Equity share capital.
 - k. Subsequent to the sanction of the Scheme, the Resulting Company will make an application for listing of its

equity shares, including the New Equity Shares on the stock exchange in which the shares of the Demerged Company are listed, in pursuance to the relevant regulations including, the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 including any amendments, if any issued by SEBI in relation to application under sub-rule (7) of Rule 19 of the Securities Contract Regulation Rules, 1957 for relaxing strict enforcement of Clause (b) to sub-rule (2) of Rule 19 of the said rules.

- l. The shares allotted pursuant to the Scheme shall remain frozen in the depositories system until listing / trading permission is given by the designated stock exchange.
- m. There shall be no change in the Shareholding Pattern or control in the Resulting Company, between the Record Date and the listing of the shares of the Resulting Company by the relevant Stock Exchange in terms of this Scheme.
- n. The Demerged Company shall duly comply with provisions of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 including any amendments, if any and Listing Regulations.

EXTRACT OF THE SAILENT FEATURES OF THE SCHEME

Part II

DEFINITIONS AND SHARE CAPITAL

16. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings respectively assigned against them.

- a) “**ACT**” means the Companies Act, 2013, along with rules and regulations issued thereunder, including, any statutory modifications, re-enactments or amendments made thereto from time to time.
- b) “**APPOINTED DATE**” means April 01, 2021 or such other date as the Tribunal may direct or fix, for the purpose of the Scheme of Arrangement (Demerger).
- c) “**BOOK VALUE(S)**” means the value(s) of the assets and liabilities of the Business Undertakings as appearing in the books of accounts of the Demerged Company at the close of the business as on the day immediately preceding the Appointed Date (**i.e. 31st March 2021**) and excluding any value arising out of revaluation of any assets.
- d) “**BOARD OF DIRECTORS**” or “**BOARD**” means the Board of Directors of the Demerged Company or the Resulting Company, as the case may be, and shall include a duly constituted committee thereof.
- e) “**COURT**” or “**TRIBUNAL**” or “**ADJUDICATING BODY (IES)**” means the National Company Law Tribunal (“**NCLT**”) bench at Chennai as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any Composite Scheme of Arrangements and Arrangement under the relevant provisions of the Act.
- f) “**DEMERGED COMPANY**” means SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED, a Company incorporated under the Companies Act, 1956, on 02nd May, 1964 and having its Registered Office at 16, Krishnama Road, Nungambakkam, Chennai - 600034, Tamil Nadu, India.
- g) “**DEMERGED UNDERTAKING**” means the **B Mill** – which is a Spinning Mill with an installed capacity of 35,088 Ring Spindles comprising of the manufacturing yarn for weaving and knitting business as a going concern and without prejudice to the above shall include but not in any way limited to the following: :
 - i. all immovable Properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, structures, workshop, benefits of any rental agreement for the use of premises, marketing offices, share of any joint assets etc., which immovable properties are currently being used exclusively and solely for the purpose of and in relation to the demerged undertaking and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties and also include the items listed in the **Schedule I**.
 - ii. all assets, as are movable in nature and exclusively and solely pertaining to and in relation to the Demerged Undertaking, whether present or future or contingent, tangible or intangible including goodwill, whether recorded in the books or not, in possession or reversion, including electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, tools, plants, vehicles, inventory and stock in trade, wherever lying, actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances recoverable in cash or kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, Semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letter of credit and also include the items as listed in the **Schedule II**.
 - iii. All debts and liabilities, Secured and SECURED, exclusively relating to the operations of “Demerged Undertaking”, as per the records of the Demerged Company, including borrowings, contractual liabilities, guarantees, provisions, deposits from Consignment Agent as mentioned in the **Schedule III & IV**. The Security deposits, Fixed Deposits, Investments and financial assets of the Demerged Undertaking as mentioned in the **Schedule V**.
 - iv. All permits, licenses, permissions, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions,

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concessions, subsidies, incentives, tax deferrals and exemptions and other benefits (in each case including the benefit of any applications made for the same), income tax benefits, deductions and exemptions, liberties and advantages, approval for commissioning of project and other licenses or clearances, granted / issued / given by any Appropriate Authorities, organizations or companies for the purpose of carrying on the business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the Demerged Undertaking as mentioned in the **Schedule VI**.

- v. All tax related assets, all the credits for taxes such as sales tax, Minimum alternate tax credit, service tax, CENVAT, GST, tax deduction at source, accumulated losses and unabsorbed depreciation as per books if any as well as per the Income tax Act enjoyed by the demerged Company pertaining to the Demerged Undertaking as mentioned in the **Schedule VII**.
 - vi. Details of charges created, modified and registered in the name of the Demerged Company including hypothecation, security deposits, mortgages and encumbrances which are pertaining to the Demerged Undertaking as listed in the **Schedule VIII**.
 - vii. All books, records, files, papers, computer programs along with their licenses, manuals and back-up, copies, drawing, other manuals, data catalogue, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customers pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the operations of the "Demerged Undertaking".
 - viii. All rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favor of or enjoyed by the Demerged Company forming part of the Demerged undertaking and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company and forming part of the Resulting Company.
 - ix. Liabilities other than those referred to in sub-clauses (iii) above and not directly relatable to the Remaining Undertaking of Demerged Company, shall be allocated to the Demerged Undertaking.
 - x. All permanent and/or temporary employees of Demerged Company substantially engaged in the Demerged Undertaking and those permanent and/or temporary employees that are determined by the Board of Directors of the Demerged Company, to be substantially engaged in or relatable to the Demerged Undertaking.
 - xi. All liabilities, actual and contingent, including liabilities accruing after the Appointed Date and relating to the period prior to the Effective Date, both specific and non-specific, inclusive of statutory liabilities, taxes, duties, levies, term loans and bank borrowings and provisions, duties and obligations specifically contracted for or incurred in the ordinary course of business with respect to the Demerged Undertaking.
 - xii. All legal or other proceedings of whatsoever nature that form part of the Demerged undertaking as mentioned in **Schedule IX**.
 - xiii. The Balance sheet as on 31.03.2021 of the Demerged Undertaking (B Mill) and the Remaining Undertaking (A Mill) of the Demerged Company. (**Schedule X**).
- h) "**EFFECTIVE DATE**" means the later of the dates on which the certified copies of the Order(s) of the Court or Tribunal sanctioning this Scheme of Arrangement (Demerger) are filed with the Registrar of Companies, Tamil Nadu Chennai by the Demerged Company and the Resulting Company. Any reference in this section of the scheme said that "On the Scheme becoming effective" or "Upon the Scheme becoming Effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date."
- i) "**ENCUMBRANCE**" means any option, pledge, mortgage, lien, security interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever.
 - j) "**LISTING REGULATION**" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other SEBI Regulations as applicable to the Scheme.
 - k) "**RECORD DATE**" means, in respect of demerger of the Demerged Undertaking into the Resulting Company, the date to be fixed by the Board of Directors of the Resulting Company in consultation with the Board of Directors of the Demerged Company, for the purposes of issue and allotment of Equity Shares by the Resulting Company to the equity shareholders of the Demerged Company.
 - l) "**ROC**" means the Registrar of Companies, Tamil Nadu, Chennai having jurisdiction in relation to both the Demerged Company and the Resulting Company.
 - m) "**RESULTING COMPANY**" means SLST INDUSTRIES LIMITED, a Company incorporated under the Companies Act, 2013, on 04th October, 2018 and having its Registered Office at New No.16, Old No.17, Krishnama Road, Nungambakkam, Chennai - 600034, Tamil Nadu, India.
 - n) "**REMAINING UNDERTAKING OR REMAINING BUSINESS**" means, **A Mill** – which is the Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting (i.e other than the Demerged Undertaking) and without prejudice to the above shall include the following:
 - i. The entire business and all the properties including immovable properties, movable assets, on a going concern basis and comprising inter alia of all the assets and liabilities attributable or relatable to the same and shall include all tangible and intangible assets, leased movable and immovable assets and properties including lease and hire purchase contracts, lending contracts, revisions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, engagements, arrangements, tax credits, deposits and exemptions, approvals and consents, rights, titles, interests, benefits and advantages of whatsoever nature

and where so ever situated, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of, or enjoyed by the Remaining Undertaking, including but without being limited to commercial or industrial rights of any nature whatsoever, liberties, permits, concessions, subsidies, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections, land installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements and all other interests and all the duties and obligations, security deposits, mortgages, charges and encumbrances, if any, in favour of the banks or the financial institutions on the assets of the Remaining Undertaking, in connection with, appertaining to and/or allocated to and/or belonging to and/or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by such Undertaking as on the Effective Date as per the records of the Demerged Company, including all necessary records, files, papers, computer programmes, websites, domain names, manuals, data, catalogues, quotations, sales and advertising materials, details of lessees and other records, whether in physical form or electronic form in connection with or relating to the Remaining Undertaking [hereinafter collectively referred to as 'the said assets'];

- ii. All liabilities, actual and contingent, including liabilities accruing after the Appointed Date and relating to the period prior to the Effective Date, both specific and non-specific, inclusive of statutory liabilities, taxes, duties, levies, term loans and bank borrowings and provisions, duties and obligations specifically contracted for or incurred in the ordinary course of business with respect to the Remaining Undertaking;
 - iii. All permanent employees engaged in the business activities of the Remaining Undertaking;
 - iv. All books, records and requisite documents pertaining to the business activities of the Remaining Undertaking.
- o) **“SCHEME OF ARRANGEMENT”** or **“THIS SCHEME”** or **“THE SCHEME”** shall mean this Scheme of Arrangement in its present form and with such modifications and amendments as may be made from time to time with the appropriate approvals and sanctions of the Court or Tribunals and other relevant regulatory/statutory/governmental authorities, as may be required under the Act, and/or any other applicable laws.
 - p) **“SEBI”** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
 - q) **“SEBI Circulars”** means the circulars issued by Securities and Exchange Board of India in relation to the Scheme of Arrangements carried out under the Act and shall inter-alia include SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 including any amendments, if any.
 - r) **Split of Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company:** The Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company is Rs. 3,33,27,500/- (Rupees Three Crore Thirty Three Lakhs Twenty Seven Thousand and Five Hundred Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Rs. 10/- (Rupees Ten Only) each fully paid up. It is proposed to Split the Share Capital of the Company between the Demerged Company and the Resulting Company as follows:
 - i. **Demerged Company:** Rs. 33,32,750/- (Rupees Thirty Three Lakhs Thirty Two Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Re. 1/- (Rupees One Only) each fully paid up.
 - ii. **Resulting Company:** Rs. 2,99,94,750/- (Rupees Two Crores Ninety-Nine Lakhs Ninety-Four Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Rs. 9/- (Rupees Nine Only) each fully paid up.

All other terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations, as the case may be, including any statutory modification or re-enactment thereof from time to time.

17. SHARE CAPITAL

a) DEMERGED COMPANY

The Authorised, issued, subscribed and paid-up share capital of the Demerged Company as on date is as under:-

PARTICULARS	AMOUNT IN RS.
Authorised Share Capital	
15,000,000 Equity Shares of Rs.10/- each 5,000,000 Preference shares of Rs.10/- each	150,000,000 50,000,000
Total	20,00,00,000
Issued, Subscribed, and Paid-up Share Capital	
33,32,750 Equity Shares of Rs.10/- each	33,327,500
Total	33,327,500

b) RESULTING COMPANY

The Authorised, Issued, Subscribed and Paid-up share capital of the Resulting Company as on date as follows:

PARTICULARS	AMOUNT IN RS.
Authorised Share Capital	

12,000 Equity Shares of Rs. 9/- each	1,08,000
Total	1,08,000
Issued, Subscribed, and Paid-up Share Capital	
12,000 Equity Shares of Rs. 9/- each	1,08,000
Total	1,08,000

PART – B

DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY IN TO THE RESULTING COMPANY

18. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING:

- a) With effect from the Appointed Date and upon this Scheme becoming effective on the Effective Date, subject to the provisions of this Scheme in relation to the modalities of transfer and vesting, stipulated herein below in this Clause 3 and pursuant to Section 232(4) of the Act, the entire Demerged Undertaking of the Demerged Company shall be de-merged and transferred to and shall be vested in or shall be deemed to have been transferred to and vested in the Resulting Company, as a going concern, for all the estate, right, title and interest of the Demerged Company therein without any further act or deed, with effect from the opening of business as on the Appointed Date so as to become the property of the Resulting Company.
- b) All the assets and properties of the Demerged Company pertaining to the Demerged Undertaking, as on the Appointed Date and becoming effective on the Effective Date, that are movable in nature and/or are not permanently embedded to earth and/or which are capable of being dismantled and reassembled at a different location and/or are otherwise capable of transfer by physical delivery or by a mere endorsement and delivery, but other than the assets and properties covered by Clause 3.4 below, shall, upon the Scheme becoming effective, be physically handed over by manual delivery or by endorsement and delivery, by the Demerged Company to the Resulting Company, to the end and intent that the property(ies) therein passes to and vests in and/or shall be deemed to have passed on and vested in the Resulting Company, with effect from the Appointed Date and shall become the assets and properties of the Resulting Company with effect from the Appointed Date, without requiring any further act, deed or instrument of conveyance for the same.
- c) All other movable assets owned by the Demerged Company in relation to the Demerged Undertaking as on the Appointed Date shall upon the Scheme becoming effective, shall stand assigned and transferred to and vested in and be deemed to have been assigned, transferred and vested in the Resulting Company with effect from the Appointed Date, without requiring any further act, deed or instrument for such vesting of the same in favour of Resulting Company. Consequently, the Resulting Company may issue notices/ intimations to all parties concerned, in such form as the Resulting Company may deem fit and proper, stating therein that pursuant to the sanctioning of the Scheme by the Tribunal, the relevant actionable claims, sundry debtors, outstanding loans, deposits, advances, accounts receivable stand assigned to and vested in the Resulting Company and therefore be paid or made good to and/or held on account of the Resulting Company, being the party entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company.
- d) All the immovable assets and properties of Demerged Company pertaining to the Demerged Undertaking as on the Appointed Date, shall, upon this Scheme becoming effective, be transferred to and be vested and/or be deemed to be transferred to and be vested in Resulting Company, with effect from the Appointed Date, without any further act or deed, pursuant to the order of Tribunal passed under the provisions of Section 232 of the Act. The mutation of the title of the immovable properties or recording of transfer of title or ownership of the assets registered with any authority, in favour of Resulting Company, shall be made and duly recorded by all appropriate authority (ies), as from the Appointed Date, pursuant to the aforesaid order of the Tribunal sanctioning this Scheme, on payment of stamp duty, costs and charges, if any. Within 30 days of the Scheme becoming effective, the Demerged Company shall undertake to discharge the properties being vested in the Resulting Company from banks, financial institutions and endeavour to release the charge from the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI). The immovable properties as mentioned in Schedule-I(1) shall be transferred by the Demerged Company to Resulting Company. The Original Title Deeds of immovable properties as mentioned in Schedule - I (1), where the part of the property is being transferred in which majority of the portion being transferred to the Resulting Company, shall be handed over by the Demerged Company to Resulting Company and shall be preserved by the Resulting Company. The Demerged Company and the Resulting Company shall produce the Original Title Deeds being retained by them for inspection within 48 hours of receipt of request from the other Company. The Original Title Deeds of the entire property as mentioned in Schedule-I(3) shall be retained and preserved by the Demerged Company and shall produce the same for the inspection within 48 hours of receipt of request from the Resulting Company.
- e) All other assets whether tangible or intangible in any nature acquired or invested by the Demerged Company for or in connection with the conducting the business of Demerged Undertaking after the Appointed Date but prior to the

Effective Date, shall, upon the Scheme becoming effective, be also deemed to have been acquired or invested on behalf of the Resulting Company and same shall also stand transferred to and vested in the Resulting Company, at their book values, as from the date of their acquisition by the Demerged Company. Any Change in the value of the assets consequent to their revaluation shall be ignored.

19. TRANSFER OF DEBTS & LIABILITIES:

- I) With effect from the Appointed Date and upon the Scheme becoming effective:-
 - a) All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description attributable to the Demerged Undertaking without any further act or deed, be respectively transferred to, or be deemed to be transferred to, the Resulting Company so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same. In respect of general or multipurpose borrowings, the debts, liabilities, if any, shall be transferred to or be deemed to be transferred to the Resulting Company in the proportion of the value of assets transferred. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.
 - b) Where any of the taxes, debts, duties, liabilities, demands and other like payments, obligations including on account of Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax, Cess, Goods and Service Tax, etc., attributed to the Demerged Undertaking of the Demerged Company has been discharged by Demerged Company on behalf of the said Demerged Undertaking, after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.
 - c) All liabilities and obligations attributed to the Demerged Undertaking including its SECURED loans taken over by the Resulting Company may be discharged by the Resulting Company by way of one time settlement or in any other manner as the Resulting Company may deem fit.
 - d) The transfer and vesting of the Demerged Undertaking, as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the said undertaking, as the case may be, provided however, any reference in any security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Demerged Undertaking have been offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Demerged Undertakings as are vested in the Resulting Company by virtue of this Scheme, to the end and intent that such security, charge, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets of the Resulting Company, provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages shall not extend or be deemed to extend, to any of the other assets of the Demerged Undertakings vested in the Resulting Company, provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company by virtue of the vesting of the Demerged Undertaking with the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.
 - e) All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by the Demerged Company in relation to the Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Resulting Company and all the obligations of the Demerged Company in relation to the Demerged Undertaking under any loan agreement shall be construed and shall become the obligation of the Resulting Company without any further act or deed on the part of the Resulting Company
- II) All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Effective Date, for the operations of the Demerged Undertaking shall be discharged by the Resulting Company.

20. TRANSFER OF ASSETS AND LIABILITIES AT BOOK VALUES:

All the assets, properties and liabilities of the Demerged Undertaking shall be transferred to the Resulting Company at the same values appearing in the books of the Demerged Company as on the close of business of the day immediately preceding the Appointed Date, for this purpose, any change in value of assets, consequent to their revaluation, if any, shall be ignored.

21. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS:

- a) With effect from the Appointed Date and upon the Scheme becoming effective, all contracts (including customer and vendor contracts), deeds, bonds, agreements, arrangements, insurance policies and other instruments, if any, of whatsoever nature pertaining to the Demerged Undertaking of the Demerged Company may be eligible and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favor of the Resulting

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Company, as the case may be, and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

- b) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses, registrations, trademarks, patents, copy rights, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Demerged Undertaking of the Demerged Company, or to the benefit of which, the Demerged Undertaking of Demerged Company may be eligible, or having effect immediately before the Effective Date, shall be and remain in full force and effect in favor of or against the Resulting Company, as the case may be, and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary thereto.
- c) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents required to carry on the Demerged Undertaking of the Demerged Company shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Resulting Company. The benefit of all such statutory and regulatory permissions, licenses, approvals and consents including statutory licenses, approvals, permissions or approvals or consents required shall vest in and become available to the Resulting Company pursuant to the Scheme.
- d) All the licenses, permissions, clearances, authorizations, approvals, sanctions, consents, registrations, exemptions and no-objections, etc., obtained pertaining to the Demerged Undertaking by the Demerged Company after the Appointed Date but prior to the Effective Date, shall, upon the Scheme becoming Effective, be deemed to have been obtained on behalf of the Resulting Company and the same shall also stand transferred to and be vested in the Resulting Company, as if from the date of receipt thereof by the Demerged Company.
- e) The Resulting Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.
- f) All cheques and other negotiable instruments, including any electronic fund transfer received in the name of the Demerged Company towards the Demerged Undertaking and all such instruments issued by Demerged Company, including any electronic fund transfer made for payments of the Demerged Undertaking, after the Appointed Date and upto the Effective Date, shall be deemed to have been made in the name of/by Resulting Company

22. LEGAL PROCEEDINGS:

Upon the Scheme becoming effective, suits, writ petitions, appeals, revisions or other legal proceedings, if any, whatever nature (hereinafter called "the Proceedings") by or against the Demerged Company with respect to the Demerged Undertaking, in any court of law or any legal forum shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Demerged Undertaking of the Demerged Company or of anything contained in the Scheme and the proceedings may be continued, prosecuted and enforced by or against Resulting Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Resulting Company as if the Scheme has not been made. On and from the Effective Date, the Resulting Company shall and may initiate or defend any legal proceeding for and on behalf of the Demerged Undertaking of the Demerged Company that is transferred, demerged and vested under this Scheme of Arrangement (Demerger).

23. STAFF, WORKMEN AND EMPLOYEES:

- a) Upon the scheme becoming effective, the Resulting Company shall engage all staff, workmen and other employees of the Demerged Undertaking of the Demerged Company on such terms and conditions of services which shall not in any way be less favorable to them than those applicable immediately before the transfer, without any interruption of their service as a result of the transfer of the Demerged Undertaking to the Resulting Company.
- b) The accumulated balances, if any, standing to the credit of the staff, workmen and the employees of the Demerged Undertaking of the Demerged Company in the existing Provident Fund, Gratuity Fund or any other Fund created or existing, upon the Scheme becoming effective, shall be transferred to such Provident Fund, Gratuity Fund and other Funds nominated by the Resulting Company and/or such new Provident Fund, Gratuity Fund and other Funds that may be established by the Resulting Company and caused to be recognized by the concerned authorities by it. Pending such transfer, all the contributions required to be made and dues required to be paid, in respect of Provident Fund, Gratuity Fund and other Funds for/to the employees of the Demerged Undertaking would continue to be deposited/paid by the Resulting Company through the company or otherwise, as permissible, in/from the existing Provident Fund, Gratuity Fund and other Funds.

PART-C

24. REORGANIZATION OF SHARE CAPITAL OF THE DEMERGED COMPANY:

- a) Upon the Scheme coming into effect, as an integral part of the Scheme the face value of the Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company is proposed to be reduced from Rs.10/- (Rupees Ten Only) each to Re.1/- (Rupee One Only) each. In essence the face value of the Issued, Subscribed and Paid-up

Equity Share Capital of the Demerged Company shall be reduced from Rs. 3,33,27,500/- (Rupees Three Crore Thirty Three Lakhs Twenty Seven Thousand and Five Hundred Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Rs. 10/- (Rupees Ten Only) each fully paid up to Rs. 33,32,750/- (Rupees Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Re. 1/- (Rupee One Only) each. The reduced face value amount of Rs. 2,99,94,750/- (Rupees Two Crores Ninety Nine Lakhs Ninety Four Thousand Seven Hundred and Fifty Only) shall be utilized to adjust / set-off the accumulated losses of Rs. 2,99,94,750/- (Rupees Two Crores Ninety Nine Lakhs Ninety Four Thousand Seven Hundred and Fifty Only) in the books of accounts as on the Appointed Date.

- b) The re-organization of the Issued, Subscribed and Paid Up share capital of the Demerged Company, shall be effected as an integral part of the Scheme itself and shall be deemed to be in accordance with the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Act as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The order of the Tribunal sanctioning the Scheme shall be deemed to be an order under Section 66 of the Companies Act, 2013 and other applicable provisions of the Act confirming the reduction without imposing a condition on the Demerged Company to add to its name "and reduced".
- c) For shareholders holding shares in Physical Form and in the Dematerialization Form as on Record Date shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled pursuant to this Scheme. The members of the Demerged Company will be entitled to New Shares of Face Value of Re. 1/- each (After taking into effect the reduction of share capital of the Demerged Company shareholders holding shares in Physical Form as on Record Date, the Demerged Company shall issue new share certificates marked with Face Value of Re. 1/- each fully paid up and the same will be delivered to its members as on Record Date along with the notice to its members intimating them that the old share certificates with Face Value of Rs. 10/- each fully paid shall deemed to be have been automatically cancelled pursuant to this Scheme. For shareholders holding shares in Demat Form as on Record Date, new shares of Face Value of Re. 1/- each fully paid up will be credited automatically to their respective Demat accounts by Corporate Action with the Depositories).
- d) Accordingly, upon the scheme coming into effect, (i) the face value per equity share of the Demerged Company shall be sub-divided from Rs.10/- each to Re.1/- each and (ii) the Number of Equity shares in Authorised share capital of the Demerged Company shall automatically stand increased, without any further act, instrument or deed on the part of the Demerged Company, such that upon the scheme coming into effect, the Authorised share capital of the Demerged Company shall be Rs.20,00,00,000/- (Rupees Twenty Crore Only) divided into 15,00,00,000 (Fifteen Crore Only) Equity shares of Re.1/- (Rupee One Only) each and 50,00,000 (Fifty Lakhs Only) Preference Shares of Rs.10/- (Rupees Ten Only) each.
- e) Consequently, Clause V (a) of the Memorandum of Association of the Demerged Company shall, upon the coming into effect of this Scheme and without any further act or deed, be and stand altered, modified and substituted pursuant to Sections 13, 61 and 230 to 232 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:
"V (a). The Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 15,00,00,000 (Fifteen Crore Only) Equity shares of Re.1/-(Rupee One Only) each and 50,00,000 (Fifty Lakhs Only) Preference shares of Rs.10/-(Rupees Ten Only) each."
- f) It is hereby clarified that the approval of the shareholders of the Demerged Company to this Scheme shall be deemed to be their consent/approval also to the sub-division of the equity share capital of the Demerged Company and consequential alteration of the Memorandum of Association of the Demerged Company and the Demerged Company shall not be required to seek separate consent/approval of its shareholders for such alteration of the Memorandum of Association of the Demerged Company as required under Sections 13 and 61 of the Act.
- g) The Equity Shares of the Demerged Company shall continue to be listed on BSE Limited ("Stock Exchange") and the Demerged Company shall make necessary applications to BSE Limited, pursuant to the Scheme coming into effect, to note consequential changes due to reorganization of the share capital of the Demerged Company.
- h) Upon the coming into effect of this Scheme, the Demerged Company shall file the requisite form(s) with the Registrar of Companies for sub-division, reduction of its equity share capital and for alteration of its authorised share capital.
- i) The Authorised, Issued, Subscribed and Paid-up share capital of the Demerged Company pre and post re-organization of the Share Capital of the Demerged Company is provided hereunder:-

PARTICULARS	Pre-Reorganization of Share Capital (Amount in Rs.)	Post Re-Organization of Share Capital (Amount in Rs.)
Authorised Share Capital		
1,50,00,000 Equity Shares of Rs.10/- each	15,00,00,000	-
50,00,000 Preference shares of Rs.10/- each	5,00,00,000	-
15,00,00,000 Equity Shares of Re.1/- each	-	15,00,00,000
50,00,000 Preference shares of Rs.10/- each	-	5,00,00,000

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Total	20,00,00,000	20,00,00,000
Issued, Subscribed, and Paid-up Share Capital		
33,32,750 Equity Shares of Rs.10/- each	3,33,27,500	-
33,32,750 Equity Shares of Re.1/- each	-	33,32,750
Total	3,33,27,500	33,32,750

**PART-D
ISSUANCE OF SHARES BY RESULTING COMPANY**

25. ISSUANCE OF SHARES:

- a) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company in terms of Part-B of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to the equity shareholders of the Demerged Company, whose name is recorded in the register of members and records of the depositories as members of the Demerged Company, as on the Record Date, 1 (one) equity share of Rs. 9/- (Rupees Nine only) each of the Resulting Company credited as fully paid-up for every 1 (one) equity share of Re.1/- (Rupee One only) each held by such shareholder of the Demerged Company ("New Equity Shares").
- b) The New Equity Shares to be issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank pari-passu in all respects with the existing equity shares of the Resulting Company after the Record Date including with respect to dividend, bonus entitlement, voting rights and other corporate benefits.
- c) The Resulting Company, shall, increase its authorised share capital, to the extent required, in order to issue the New Equity Shares under this Scheme in accordance with the procedure prescribed under Section 13, 61 of the Companies Act, 2013.
- d) The New Shares, to be issued by the Resulting Company pursuant to Clause 10.1 above, shall be issued and allotted to all the members of the Demerged Company in demat form i.e. dematerialized shares into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall also receive the equity shares to be issued by the Resulting Company, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then such shares shall be kept in Demat Suspense Account which shall be operated by the Directors of the Resulting Company for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company, if permitted under Applicable Law.
- e) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the transition period.
- f) The New Equity Shares issued and/or allotted pursuant to Clause 10.1, in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Resulting Company.
- g) In the event the New Equity Shares are required to be issued and allotted to such shareholders of Demerged Company, being non-resident, the issue of such shares shall be in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder (for the time being in force, including, any statutory modifications, re-enactments or amendments made thereto from time to time).
- h) For the purpose of issue of the New Equity Shares to the equity shareholders of the Demerged Company, the Resulting Company may, if and to the extent required, apply for and obtain the required statutory approvals from the Governmental Authorities for the issue and allotment by the Resulting Company of such New Equity Shares.
- i) The issue and allotment of the New Equity Shares in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act have been complied with.

- j) Upon the coming into effect of this Scheme, the Resulting Company shall file the requisite form(s) with the Registrar of Companies for increase of its Authorised share capital and Issued, Subscribed and Fully Paid up Equity share capital.
- k) Subsequent to the sanction of the Scheme, the Resulting Company will make an application for listing of its equity shares, including the New Equity Shares on the stock exchange in which the shares of the Demerged Company are listed, in pursuance to the relevant regulations including, the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 including any amendments, if any issued by SEBI in relation to application under sub-rule (7) of Rule 19 of the Securities Contract Regulation Rules, 1957 for relaxing strict enforcement of Clause (b) to sub-rule (2) of Rule 19 of the said rules.
- l) The shares allotted pursuant to the Scheme shall remain frozen in the depositories system until listing / trading permission is given by the designated stock exchange.
- m) There shall be no change in the Shareholding Pattern or control in the Resulting Company, between the Record Date and the listing of the shares of the Resulting Company by the relevant Stock Exchange in terms of this Scheme.
- n) The Demerged Company shall duly comply with provisions of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/ CIR/2023/93 dated June 20, 2023 including any amendments, if any and Listing Regulations.

PART-E ACCOUNTING ASPECTS OF THE SCHEME

26. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY:

Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall account for the demerger, in its books of account in accordance with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act as applicable and general accepted accounting principles in India in the following manner:

- a) The Demerged Company shall transfer all assets and liabilities pertaining to the Demerged Undertaking to the Resulting Company as on the Appointed Date at the values listed in Schedule X of this Scheme and appearing in its books of accounts and correspondingly reduce from its books of account, the book values appearing on Appointed Date in accordance with the provisions of section 2(19AA) of the Income Tax Act;
- b) The difference i.e. the excess or shortfall, as the case may be, of the net book value of Assets over the liabilities transferred pertaining to or attributable to the Demerged Undertaking, and demerged from the Demerged Company pursuant to the Scheme, shall be carried to Capital Reserve.

27. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY:

- a) Upon the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company, shall record the assets and liabilities of the Demerged Undertaking vested in it pursuant to this Scheme in its books at the same book values as appearing in the books of the Demerged Company.
- b) The Resulting Company shall credit its Share Capital Account with the aggregate value of the new equity shares issued by it to the members of the Demerged Company pursuant to Clause 10.1 of this Scheme.
- c) On recording the transfer of the assets and the liabilities as aforesaid pursuant to the Scheme, the Resulting Company shall make necessary adjustments such that all the assets and liabilities acquired (including assets and liabilities not specifically recognized by the Demerged Company in its financial statements), as well as shares issued and the resultant goodwill / capital reserve arising on demerger are reflected at their acquisition date at fair values as required for compliance with the mandatory Indian Accounting Standards, specifically, Ind AS 103 'Business Combinations', notified under Section 133 of the Act, read with the rules made there under and other Generally Accepted Accounting Principles. Further, acquisition related costs will also be accounted in accordance with the requirements of Ind AS 103 'Business Combinations'.

PART – F GENERAL TERMS AND CONDITIONS

28. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- a) The Demerged Company and the Resulting Company (by their Board of Directors or such other person or persons, as the Board of Directors may authorise) are empowered and authorised:
 - i. to assent from time to time to any modifications or amendments or substitutions of this Scheme or of any conditions or limitations which the Tribunal or any authorities under law may deem fit to approve or direct or as may be deemed expedient or necessary; and
 - ii. to settle all doubts or difficulties that may arise in carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary, desirable or proper for putting this Scheme into effect.

29. CONDITIONALITY OF THE SCHEME ON APPROVALS/SANCTIONS

This Scheme is conditional upon and subject to:-

- a) The approval of the Scheme by the requisite majority of the respective members and such class of persons of

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Demerged Company and Resulting Company, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Tribunal in this respect;

- b) In addition to the requirement stipulated under Clause 14.1 of this Scheme, in case of the Demerged Company, the requisite resolution with respect to this Scheme, shall be passed through e-voting and / or other mode as may be required under any applicable law and the SEBI circular., after disclosure of all material facts in the explanatory statement (including the applicable information pertaining to the Resulting Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations) or notice or proposal accompanying resolution to be passed sent to the shareholders. While seeking approval of the scheme whereby the votes cast by the public shareholders of Demerged Company in favour of the proposal relating to the Scheme are more than the number of votes cast by the public shareholders of Demerged Company against it as per the requirement under the SEBI Circulars i.e. *The scheme is conditional upon scheme being approved by the PUBLIC shareholders through e-voting in terms of Part – I (A)(10) (b) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021 and the Scheme shall be acted upon only if voted cast by the public shareholders of Demerged Company in favour of the proposal are more than the number of votes cast by the public shareholders of Demerged Company against it.*
- c) The sanction by the Tribunal under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Act being obtained by the Demerged Company and the Resulting Company.
- d) The filing of certified copies of Orders under Sections 230 to 232 of the Act and other applicable provisions of the Act passed by the Hon'ble Tribunal by the Demerged Company and the Resulting Company, with the Registrar of Companies, Tamil Nadu, Chennai.
- e) Approval of the Government of India and/ or Reserve Bank of India and/ or Securities and Exchange Board of India, if required and the observation of the BSE Limited where such observation is necessary.
- f) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.
- g) Accordingly, this Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the last of the dates on which all the conditions referred to above have been fulfilled.
- h) The Scheme of Arrangement shall take effect from the Appointed Date in the sequential and consequential manner as provided below:
 - (i) Reorganization of Equity Share Capital of the Demerged Company as provided under PART-C of the Scheme;
 - (ii) The Demerger, Transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company as provided in PART-B of the Scheme;
 - (iii) Issuance of the Shares by the Resulting Company as provided in PART-D of the Scheme;

30. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, levies, fees, stamp duties (as applicable under law) and expenses in relation to or in connection with the transfer and vesting of Demerged undertaking pursuant to this Scheme whether such costs are incurred prior to or after the Effective Date, shall be borne and paid by the Demerged Company and Resulting Company equally.

31. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE:

With effect from the Appointed Date and upto and including the Effective Date:

- a) The Demerged Company shall carry on and be deemed to have carried on its business and activities relating to the Demerged Undertaking in the ordinary course of business for and on account of and in trust for the Resulting Company, and shall hold and possess all the assets of the Demerged Undertaking for and on account of and in trust for the Resulting Company. The Demerged Company shall hold the assets of the Demerged Undertaking with utmost prudence until the Effective Date.
- b) Any income or profit accruing or arising to the Demerged Company and all costs, charges, expenses, tax payments, tax credits, input credit, tax benefit and losses arising or incurred by the Demerged Company relating to the Demerged Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses, tax payments, tax credits, input credit, tax benefit and losses as the case may be, of the Resulting Company.
- c) The Demerged Company shall carry on its business activities relating to the Demerged Undertaking with reasonable diligence and business prudence. The Demerged Company shall not undertake any additional financial commitments, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries, or third parties sale, transfer, alternate, charge, mortgage or encumber or deal with the Demerged Undertakings or any part thereof, except with the written consent of the Resulting Company.
- d) The Demerged Company shall not, utilize the profits relating to the Demerged Undertaking for the period falling on or after the Appointed Date for the payment of Dividend.

32. RIGHTS AND OBLIGATIONS OF THE DEMERGED COMPANY AND THE RESULTING COMPANY:

- a) With effect from the Effective Date, the Demerged Company and the Resulting Company shall co-operate with and assist each other and formalise arrangements for making available to and from each other, in a proper and timely manner, materials, utilities (without requiring any approval whatsoever), and services as may be required for the smooth and proper functioning of the Demerged Undertaking. These arrangements may also extend to lease/use of factory buildings if required, and sheds, availment of storage space, contract jobs, canteen and other facilities, amenities and/or other services that may need to be shared.
- b) Even after the Effective Date, the Resulting Company shall be entitled to realize all money and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking in the name of the Demerged Company in so far as may be necessary until the transfer of rights and obligation of the Demerged

Company to the Resulting Company.

33. REMAINING UNDERTAKING:

- a) The 'Remaining Undertaking' and all the assets, liabilities and obligations pertaining thereto including without limitation to the immovable properties belonging to the Remaining Undertaking, shall continue to belong to and be vested in and be managed by the Demerged Company.
- b) With effect from the Appointed Date, all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be of the Demerged Company.
- c) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Demerged Company under any statute, whether pending on the Appointed date or which may be instituted at any time thereafter, and in each case, relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company) shall be continued and continue to be enforced by or against the Demerged Company after the Effective Date, the Resulting Company shall not in any event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company, which relate to the Remaining Undertaking.
- d) If any proceedings are made against the Resulting Company in respect of the outstanding matters referred to in Clause 18.3 above, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company. In the event that the Resulting Company were to incur any costs in this regard, the Demerged Company shall reimburse the same and indemnify the Resulting Company against all liabilities and obligations incurred by Resulting Company in respect thereof.

34. REVOCATION OF THE SCHEME

- a) In the event of any of the said sanctions and approvals referred to in the preceding above not being obtained and/or the Scheme not being sanctioned by applicable Adjudicating Body and/or the Order(s) not being passed as aforesaid within 3 years from the date of filing of the Company Application with the relevant Adjudicating Body, or within such further period(s) as may be agreed upon from time to time between the Demerged Company and the Resulting Company (through their respective Board of Directors), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Demerged Company and the Resulting Company, or their respective shareholders or employees or any other persons, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme and or otherwise arise as per law. For the purpose of giving full effect to this Scheme, the respective Board of Directors of the Demerged Company and the Resulting Company, are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by their respective delegates.
- b) The Board of Directors of the Demerged Company and the Resulting Company, shall be entitled to withdraw, revoke, cancel and declare the Scheme having no effect if such Boards of Directors of the Demerged Company and the Resulting Company are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up/ certified/ authenticated orders with any authority could have adverse implication on both/ any of the companies or in case any condition or alteration imposed by the relevant Adjudicating Body or any other authority is not on terms acceptable to them.
- c) If any part of this Scheme hereof is invalid, ruled illegal by any court of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

35. GENERAL TERMS & CONDITIONS

- a) The Demerged Company and the Resulting Company shall be at liberty to withdraw from this Scheme through its Board of Directors in case any condition or alteration imposed by any of the Tribunal or any other authority is unacceptable to them or.
- b) Without prejudice to the provisions of the foregoing clauses and upon this Scheme becoming effective, the Demerged Company and Resulting Company shall execute such instruments or documents or do all such acts and deeds as may be required to give full effect for the transfer of the Demerged Undertaking to Resulting Company.
- c) Any issue as to whether any asset or liability pertains to the Demerged Undertaking or not shall be decided by the Board of Directors of the Demerged Company and the Resulting Company either by themselves or through a Committee appointed by them in this behalf on the basis of evidence they may deem relevant (including the books and records of the Demerged Company).
- d) In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights or liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.
- e) Upon the Scheme coming into effect, all Taxes, Cess / duties payable by or on behalf of the Demerged Undertaking of the Demerged Company from the Appointed Date onwards including all or any refunds, rebates and claims, including refunds, rebates or claims pending with the Revenue Authorities, shall for all purposes, be treated as the

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Tax / Cess / duty liabilities or refunds rebates and claims of the Resulting Company. Upon the Scheme becoming effective, both the Demerged Company and the Resulting Company are, expressly permitted to make / revise, wherever necessary, their returns including but not limited to Income Tax returns, GST returns, TDS Certificates and other tax returns including any State / Central taxes / duties and shall be entitled to claim refunds / rebates / credits, pursuant to the provisions of this Scheme

- f) For the purpose of giving effect to the vesting order passed under Sections 230 and 232 of the Act in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the record of the change in the title and appurtenant legal right(s) upon the vesting of such assets of the Demerged Undertaking of the Demerged Company in the Resulting Company in accordance with the provisions of Sections 230 and 232 of the Act and the Demerged Company shall assist / co-operate pursuant to the vesting orders of the Court. Upon the Scheme becoming effective and with effect from the Appointed Date, the filing of certified copies of the order of the Court sanctioning this Scheme shall constitute a creation / modification of charge in the name of the Resulting Company in accordance with the provisions of Section 79 of the Act and satisfaction of charge in respect of the Demerged Company in accordance with Section 82 of the Act, if there are any existing charges attaching to the said business.

36. Valuation Report and Fairness Opinion(s)

- a) Pursuant to the SEBI Circular, the Demerged Company has obtained a Valuation Report dated December 15, 2022 issued by Dinesh Kumar Deora, Registered Valuer – Securities or Financial Assets IBB Registration No. IBB/RV/O3/2019/12711. The copy of the valuation report issued by Dinesh Kumar Deora, Registered Valuer is available as Annexure – 2 to this Notice.
- b) Fairness Opinion dated April 29, 2022 was obtained from Mark Corporate Advisors Pvt Ltd., a SEBI registered Category-I Merchant Banker. The copy of Fairness Opinion is available as Annexure – 3 to this Notice.
- c) Copies of the said Valuation Report, Fairness Opinion(s) and other documents submitted to the Stock Exchange are also displayed on the website of the demerged company at www.slstindia.com and website of BSE Ltd., the designated stock exchange where the shares of the demerged company are listed, in terms of the Securities and Exchange Board of India circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and the same are available for inspection at the registered office of the Company.

37. Effect of the Scheme

a) Directors / Key Managerial Personnel

Mr. Balakrishna S, Managing Director will resign from the Board of Demerged Company. Mr.R. Padmanaban and Mr.R. Thirumalai will resign from the Board of Resulting Company.

b) Promoters & Non-Promoter members

- i. Pursuant to Scheme of Demerger, A Mill will be under control of the Demerged Company i.e., shall be controlled by RR Group whereas B Mill will be under control of SLST Industries Limited (Resulting Company) i.e., shall be controlled by RS Group.
- ii. On completion of the entire Demerger process,
- Equity Shares held by the members of RS Group of the Demerged Company will be transferred to RR Group of the Demerged Company pursuant to inter se transfer.
 - Equity Shares held by the members of RR Group of the Resulting Company will be transferred to RS Group of the Resulting Company pursuant to inter se transfer.
- iii. This inter se transfer of shares will be done so that the Demerged Company and the Resulting Company will carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests.
- iv. Pursuant to the inter se transfer, there will be no impact on the shareholders of the Demerged Company and the Resulting Company.

Except the above, there is no impact of the Scheme on other Director / KMPs of the Participating Companies.

c) Creditors

There is no impact of the Scheme on creditors of the Company as the Scheme does not envisage any arrangement with creditors.

Further, none of the creditors have any interest in the Scheme except to the extent of shares held by them, if any, in any of the Companies.

d) Employee of the Company

STAFF, WORKMEN AND EMPLOYEES:

- i. Upon the scheme becoming effective, the Resulting Company shall engage all staff, workmen and other employees of the Demerged Undertaking of the Demerged Company on such terms and conditions of services which shall not in any way be less favorable to them than those applicable immediately before the transfer, without any interruption of their service as a result of the transfer of the Demerged Undertaking to the Resulting Company.
- ii. The accumulated balances, if any, standing to the credit of the staff, workmen and the employees of the Demerged Undertaking of the Demerged Company in the existing Provident Fund, Gratuity Fund or any other Fund created or existing, upon the Scheme becoming effective, shall be transferred to such Provident Fund, Gratuity Fund and other Funds nominated by the Resulting Company and/or such new Provident Fund, Gratuity Fund and other Funds that may be established by the Resulting Company and caused to be recognized by the concerned authorities by it. Pending such transfer, all the contributions required to be

made and dues required to be paid, in respect of Provident Fund, Gratuity Fund and other Funds for/to the employees of the Demerged Undertaking would continue to be deposited/paid by the Resulting Company through the company or otherwise, as permissible, in/from the existing Provident Fund, Gratuity Fund and other Funds.

- iii. As envisaged in Part III of the Scheme, all staff and employees of the Transferor Company shall become employees of the Transferee Company, without any interruption in service, on terms and conditions no less favourable than those on which they are engaged by the Transferor Company. Further, the employees engaged in the Transferee Company will continue to be employees of the Transferee Company on the same terms and conditions as before..
- e) **Depositors, Deposit Trustee, Debenture Holders and Debenture Trustee**
As there are no depositors, deposit trustee, debenture holders and debenture trustee in the Participating Companies, the effect of the Scheme on them do not arise.

38. CAPITAL RESTRUCTURING

REORGANIZATION OF SHARE CAPITAL OF THE DEMERGED COMPANY:

- a) Upon the Scheme coming into effect, as an integral part of the Scheme the face value of the Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company is proposed to be reduced from Rs.10/- (Rupees Ten Only) each to Re.1/- (Rupee One Only) each. In essence the face value of the Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company shall be reduced from Rs. 3,33,27,500/- (Rupees Three Crore Thirty Three Lakhs Twenty Seven Thousand and Five Hundred Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Rs. 10/-(Rupees Ten Only) each fully paid up to Rs. 33,32,750/- (Rupees Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Re. 1/- (Rupee One Only) each. The reduced face value amount of Rs. 2,99,94,750/- (Rupees Two Crores Ninety Nine Lakhs Ninety Four Thousand Seven Hundred and Fifty Only) shall be utilized to adjust / set-off the accumulated losses of Rs. 2,99,94,750/- (Rupees Two Crores Ninety Nine Lakhs Ninety Four Thousand Seven Hundred and Fifty Only) in the books of accounts as on the Appointed Date.
- b) The re-organization of the Issued, Subscribed and Paid Up share capital of the Demerged Company, shall be effected as an integral part of the Scheme itself and shall be deemed to be in accordance with the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Act as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The order of the Tribunal sanctioning the Scheme shall be deemed to be an order under Section 66 of the Companies Act, 2013 and other applicable provisions of the Act confirming the reduction without imposing a condition on the Demerged Company to add to its name "and reduced".
- c) For shareholders holding shares in Physical Form and in the Dematerialization Form as on Record Date shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled pursuant to this Scheme. The members of the Demerged Company will be entitled to New Shares of Face Value of Re. 1/- each (After taking into effect the reduction of share capital of the Demerged Company shareholders holding shares in Physical Form as on Record Date, the Demerged Company shall issue new share certificates marked with Face Value of Re. 1/- each fully paid up and the same will be delivered to its members as on Record Date along with the notice to its members intimating them that the old share certificates with Face Value of Rs. 10/- each fully paid shall deemed to be have been automatically cancelled pursuant to this Scheme. For shareholders holding shares in Demat Form as on Record Date, new shares of Face Value of Re. 1/- each fully paid up will be credited automatically to their respective Demat accounts by Corporate Action with the Depositories).
- d) Accordingly, upon the scheme coming into effect, (i) the face value per equity share of the Demerged Company shall be sub-divided from Rs.10/- each to Re.1/- each and (ii) the Number of Equity shares in Authorised share capital of the Demerged Company shall automatically stand increased, without any further act, instrument or deed on the part of the Demerged Company, such that upon the scheme coming into effect, the Authorised share capital of the Demerged Company shall be Rs.20,00,00,000/- (Rupees Twenty Crore Only) divided into 15,00,00,000 (Fifteen Crore Only) Equity shares of Re.1/- (Rupee One Only) each and 50,00,000 (Fifty Lakhs Only) Preference Shares of Rs.10/- (Rupees Ten Only) each.
- e) Consequently, Clause V (a) of the Memorandum of Association of the Demerged Company shall, upon the coming into effect of this Scheme and without any further act or deed, be and stand altered, modified and substituted pursuant to Sections 13, 61 and 230 to 232 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:
"V (a). The Share Capital of the Company is Rs. 20,00,00,000/-(Rupees Twenty Crores Only) divided into 15,00,00,000 (Fifteen Crore Only) Equity shares of Re.1/-(Rupee One Only) each and 50,00,000 (Fifty Lakhs Only) Preference shares of Rs.10/-(Rupees Ten Only) each."
- f) It is hereby clarified that the approval of the shareholders of the Demerged Company to this Scheme shall be deemed to be their consent/approval also to the sub-division of the equity share capital of the Demerged Company and consequential alteration of the Memorandum of Association of the Demerged Company and the Demerged Company shall not be required to seek separate consent/approval of its shareholders for such alteration of the Memorandum of Association of the Demerged Company as required under Sections 13 and 61 of the Act.
- g) The Equity Shares of the Demerged Company shall continue to be listed on BSE Limited ("Stock Exchange") and the Demerged Company shall make necessary applications to BSE Limited, pursuant to the Scheme coming into effect, to note consequential changes due to reorganization of the share capital of the Demerged Company.
- h) Upon the coming into effect of this Scheme, the Demerged Company shall file the requisite form(s) with the

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Registrar of Companies for sub-division, reduction of its equity share capital and for alteration of its authorised share capital.

- i) The Authorised, Issued, Subscribed and Paid-up share capital of the Demerged Company pre and post re-organization of the Share Capital of the Demerged Company is provided hereunder:-

PARTICULARS	Pre-Reorganization of Share Capital (Amount in Rs.)	Post Re-Organization of Share Capital (Amount in Rs.)
Authorised Share Capital		
1,50,00,000 Equity Shares of Rs.10/- each	15,00,00,000	-
50,00,000 Preference shares of Rs.10/- each	5,00,00,000	-
15,00,00,000 Equity Shares of Re.1/- each	-	15,00,00,000
50,00,000 Preference shares of Rs.10/- each	-	5,00,00,000
Total	20,00,00,000	20,00,00,000
Issued, Subscribed, and Paid-up Share Capital		
33,32,750 Equity Shares of Rs.10/- each	3,33,27,500	-
33,32,750 Equity Shares of Re.1/- each	-	33,32,750
Total	3,33,27,500	33,32,750

39. ISSUANCE OF SHARES BY RESULTING COMPANY

ISSUANCE OF SHARES:

- a) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company in terms of Part-B of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to the equity shareholders of the Demerged Company, whose name is recorded in the register of members and records of the depositories as members of the Demerged Company, as on the Record Date, 1 (one) equity share of Rs. 9/- (Rupees Nine only) each of the Resulting Company credited as fully paid-up for every 1 (one) equity share of Re.1/- (Rupee One only) each held by such shareholder of the Demerged Company ("New Equity Shares").
- b) The New Equity Shares to be issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank pari-passu in all respects with the existing equity shares of the Resulting Company after the Record Date including with respect to dividend, bonus entitlement, voting rights and other corporate benefits.
- c) The Resulting Company, shall, increase its authorised share capital, to the extent required, in order to issue the New Equity Shares under this Scheme in accordance with the procedure prescribed under Section 13, 61 of the Companies Act, 2013.
- d) The New Shares, to be issued by the Resulting Company pursuant to Clause 10.1 above, shall be issued and allotted to all the members of the Demerged Company in demat form i.e. dematerialized shares into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall also receive the equity shares to be issued by the Resulting Company, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then such shares shall be kept in Demat Suspense Account which shall be operated by the Directors of the Resulting Company for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company, if permitted under Applicable Law.
- e) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the transition period.
- f) The New Equity Shares issued and/or allotted pursuant to Clause 10.1, in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Resulting Company.

- g) In the event the New Equity Shares are required to be issued and allotted to such shareholders of Demerged Company, being non-resident, the issue of such shares shall be in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder (for the time being in force, including, any statutory modifications, re-enactments or amendments made thereto from time to time).
- h) For the purpose of issue of the New Equity Shares to the equity shareholders of the Demerged Company, the Resulting Company may, if and to the extent required, apply for and obtain the required statutory approvals from the Governmental Authorities for the issue and allotment by the Resulting Company of such New Equity Shares.
- i) The issue and allotment of the New Equity Shares in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act have been complied with.
- j) Upon the coming into effect of this Scheme, the Resulting Company shall file the requisite form(s) with the Registrar of Companies for increase of its Authorised share capital and Issued, Subscribed and Fully Paid up Equity share capital.
- k) Subsequent to the sanction of the Scheme, the Resulting Company will make an application for listing of its equity shares, including the New Equity Shares on the stock exchange in which the shares of the Demerged Company are listed, in pursuance to the relevant regulations including, the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 including any amendments, if any issued by SEBI in relation to application under sub-rule (7) of Rule 19 of the Securities Contract Regulation Rules, 1957 for relaxing strict enforcement of Clause (b) to sub-rule (2) of Rule 19 of the said rules.
- l) The shares allotted pursuant to the Scheme shall remain frozen in the depositories system until listing / trading permission is given by the designated stock exchange.
- m) There shall be no change in the Shareholding Pattern or control in the Resulting Company, between the Record Date and the listing of the shares of the Resulting Company by the relevant Stock Exchange in terms of this Scheme.
- n) The Demerged Company shall duly comply with provisions of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/ CIR/2023/93 dated June 20, 2023 including any amendments, if any and Listing Regulations.

40. Amount due to Creditors of Demerged and Resulting Company

a) Demerged Company

The total amount due to the secured creditors is Rs. 21,07,39,383 (Rupees Twenty One Crores Seven lakhs Thirty Nine thousand Three hundred and Eighty Three) and to SECURED Creditors of the Demerged Company as on December 31, 2024 is Rs. 78,17,25,007/- (Rupees Seventy Eight crore Seventeen lakhs Twenty Five thousand and Seven), respectively.

b) Resulting Company

Total amount due to the secured and unsecured Creditors of the Resulting Company as on December 31, 2024 is Rs. Nil and Rs. 5,23,000/- (Rupees Five Lakhs Twenty Three Thousand), respectively.

41. Effect on material interest of Directors, Key Managerial Personnel and Debenture Trustee

- a) The Directors / KMPs of the respective Participating companies may be deemed to be interested in the Scheme only to the extent of their respective Directorship / shareholding (if any) in the respective Participating companies. The statement indicating the shareholding of the Directors and Key Managerial Personnel in the Participating companies is available in the explanatory statement.

As of date, no debentures have been issued by any of the Participating companies, and hence, the effect of the Scheme of Arrangements on Debenture Trustee does not arise.

42. Details of Shareholding of Directors / Key Managerial Personnel

The details of the present Directors, Key Managerial Personnel of the Participating Companies and their shareholding, as on December 31, 2024, are as under:

Demerged Company:

S.No.	Name of the Director/ KMPs	Designation	Shares (%) held in	
			Sri Lakshmi Saraswathi Textiles (Arni) Ltd	SLST Industries Ltd
1.	Balakrishna S	Managing Director	23.54	12.50
2.	R.Padmanaban	Wholetime Director & CFO	6.72	12.50
3.	Mr.Sridhara Rao	Director	0.00	0.00
4.	Ms.Sivarani J	Director	0.00	0.00
5.	Ms.Umaa Sharvani	Director	0.00	0.00
6.	Jitendra Kumar Pal	Company Secretary	0.00	0.00

Resulting Company:

S.No.	Name of the Director/ KMPs	Designation	Shares (%) held in	
			Sri Lakshmi Saraswathi Textiles (Arni) Ltd	SLST Industries Ltd

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1.	Balakrishna S	Director	23.54	12.50
2.	R.Padmanaban	Director	6.72	12.50
3.	R.Thirumalai	Director	6.78	12.50
4.	Prish Jayender Balakrishna	Director	5.10	12.50

43. Requirements as per Para 9 of SEBI Master Circular No. SEBI/HO/CFD/POD- 2/P/CIR/2023/93 dated June 20, 2023

- a) Pursuant to the Securities and Exchange Board ("SEBI") circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (the "SEBI Circular") read with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") the Demerged Company had applied to BSE India Ltd., for seeking their No objection to the proposed Scheme. BSE had vide their letters dated August 1, 2023, have conveyed "no adverse observations / no-objection" to the Scheme. The letters are available on the website of the Companies www.slstindia.com and in the **Annexure - 10** to the notice.
- b) The Scheme of Arrangement along with related documents are hosted on the websites of the Demerged Company, BSE Ltd.,. The Demerged Company have received **no complaint / comment** and accordingly the complaints report (indicating Nil complaints) was filed with the BSE and was taken on record by Stock Exchange. A copy of the said Complaints Report filed with BSE are available on the website of the Companies www.slstindia.com and in the **Annexure - 11** to the notice.
- c) **Compliance Report** as per the SEBI prescribed format duly certified by the Company Secretary, Chief Financial Officer and the Managing Director, confirming compliance with various regulatory requirements specified for schemes of arrangement and all accounting standards for the Demerged Company is available on the website of the Companies www.slstindia.com and in the **Annexure – 12** to the notice.
- d) The Demerged Company have obtained Fairness Opinion from Mark Corporate Advisors Pvt Ltd., a SEBI registered Category-I Merchant Banker
The Fairness Opinion for the Demerged Company are available on the website of the Companies www.slstindia.com and in the **Annexure – 3** to the notice
- e) **Pre and Post scheme of arrangement of Capital Structure**
 - i. The Pre-scheme of arrangement capital structure of the Demerged Company and Resulting Company have already been provided elsewhere in this statement.
 - ii. The Post-scheme of arrangement capital structure of the Demerged Company and Resulting Company have already been provided elsewhere in this statement.
- f) **Pre and Post-Scheme of Arrangement Shareholding Pattern**
 - i. The expected pre and post Scheme shareholding pattern of the Demerged Company is as follows:

Pre and Post Shareholding Pattern of the Demerged Company:

Category	Pre-Shareholding*		Post-Shareholding**	
	No of Equity Shares	%	No of Equity Shares	%
Promoter & Promoter Group	18,35,953	55.09	18,35,953	55.09
Public	14,96,797	44.91	14,96,797	44.91
TOTAL	33,32,750	100.00	33,32,750	100.00

* Rs. 3,33,27,500/- divided into 33,32,750 Equity Shares of the Face Value of Rs. 10/- (Rupees Ten Only) each fully paid up.

** Rs. 33,32,750/- divided into 33,32,750 Equity Shares of the Face Value of Re. 1/- (Rupees One Only) each fully paid up.

- ii. The expected pre and post Scheme shareholding pattern of the Resulting Company is as follows:

Pre and Post Shareholding Pattern of the Resulting Company:

Category	Pre-Shareholding		Post-Shareholding*	
	No of Equity Shares	%	No of Equity Shares	%
Promoter & Promoter Group	12,000	100.00	18,47,953	55.25
Public	0	0.00	14,96,797	44.75
TOTAL	12,000	100.00	33,44,750	100.00

* Allotment of new shares by Resulting Company to the Shareholders of the Demerged Company in ratio of 1:1.

44. Additional disclosures

- a) The Management(s) of the Participating Companies are of the view that the Arrangements of Sri Lakshmi Saraswathi Textiles (Arni) Ltd and SLST Industries Ltd., will simplify the group structure.
- b) The Scheme if implemented will facilitate a separate and better management focus for both the Demerged Company and the Resulting Company on their respective units and thereby provide the distinct competencies required for achieving full potential, in order to meet the betterment of their respective customers, their needs, priorities and thereby eliminating any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success.

Rationale of the scheme:

The circumstances which justify and have necessitated the proposed Scheme of Arrangement (Demerger) are as follows:-

- i. Demerged Company is presently having installed capacity of 33,360 Ring Spindles in A Mill and 35,088 Ring Spindles in B Mill. A Mill is manufacturing all varieties of 100% cotton yarn of fine counts used for manufacture of fine varieties cloths and the products which are marketed mainly in up countries where power looms are operated in large scale and B Mill is manufacturing all varieties of cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market such as Erode, Tirupur and Pallipalayam in Tamil Nadu and other markets in the State of Maharashtra. The Resulting Company is formed with intention to absorb the transfer, demerge the B Mill (Demerged Undertaking) of the Demerged Company which has installed capacity of 35,088 Ring Spindles pursuant to Scheme of arrangement (Demerger). The Resulting Company would be focusing on mainly manufacturing all varieties of cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market. The Resulting Company will be concentrating on manufacturing of yarn suitable for manufacture of Suiting Cloth and Knitted Fabrics. Its products will continue to be marketed in the domestic market in Erode, Tirupur and Pallipalayam in Tamilnadu. Since the Resulting Company will be manufacturing yarns of different kind, garments, athletic wear, other products in the textile value chain and market them in different area and in order to manage both the Mills efficiently and in a focused manner and to improve the overall performance of both the Mills, the management of Demerged Company has considered it necessary to demerge, transfer and vest the B Mill of the Demerged Company, as a going concern into the Resulting Company.
- ii. The Scheme if implemented will facilitate a separate and better management focus for both the Demerged Company and the Resulting Company on their respective units and thereby provide the distinct competencies required for achieving full potential, in order to meet the betterment of their respective customers, their needs, priorities and thereby eliminating any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success.
- iii. Further the proposed Scheme of Arrangement (Demerger) is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholders value and to achieve higher long-terms financial returns.
- iv. The Scheme will contribute in furthering and fulfilling the objects of the companies concerned.
- v. The Scheme will enable both the Demerged and Resulting Companies to carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests. The Scheme will enable both the Companies to take advantage of the opportunities foreseen in their respective businesses and to assist in the exploitation and realization of the full potential in the respective businesses and implement schemes of modernization, technology upgradation, expansion, diversification etc.,
- vi. After the implementation of the Scheme, there will be Inter-se Transfer amongst the Promoter/ Promoter Group.
- vii. Presently, Sri Lakshmi Saraswathi Textiles (Arni) Limited (Demerged Company) is controlled by 2 groups belonging to promoter/ promoter group namely; RR Group and RS Group.
- viii. Pursuant to Scheme of Demerger, A Mill will be under control of the Demerged Company i.e., shall be controlled by RR Group whereas B Mill will be under control of SLST Industries Limited (Resulting Company) i.e., shall be controlled by RS Group.
- ix. On completion of the entire Demerger process,
 - (a) Equity Shares held by the members of RS Group of the Demerged Company will be transferred to RR Group of the Demerged Company pursuant to inter se transfer.
 - (b) Equity Shares held by the members of RR Group of the Resulting Company will be transferred to RS Group of the Resulting Company pursuant to inter se transfer.
- x. This inter se transfer of shares will be done so that the Demerged Company and the Resulting Company will carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests.
- xi. Pursuant to the inter se transfer, there will be no impact on the shareholders of the Demerged Company and the Resulting Company.
- xii. The Scheme will result in business synergies, synergies in operational process and creation of efficiencies by reducing time to market and benefiting customers as well as optimization of operation and capital expenditure.
- xiii. The Reorganization of the Equity Share Capital of the Demerged Company as proposed in this scheme would be utilized to adjust the accumulated losses of the Demerged Company, so as to enable the reflection of the true and accurate financial position of the Demerged Company. The Reorganization of the Share Capital would enable and facilitate the streamlining of the financial position of the Demerged Company and also permit invitation for further debt or equity infusion. The Reorganization of the Share Capital would not prejudice any of the stakeholders and would be in the best interest of the stakeholders.
- xiv. The Scheme is in interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either Demerged Company or Resulting Company would be prejudiced as a result of the Scheme of Arrangement and the Scheme will have beneficial results for the companies, their shareholders and employees and is also in general public interest.

45. Impact of the scheme on the shareholders

Impact of the scheme on the shareholders have been mentioned elsewhere in the Notice under the head re-organization of the share capital of the demerged company. Pursuant to approval of Scheme, all the shareholders of the Demerged company will become the shareholders of the resulting company, in addition to the existing shareholders in the resulting company.

46. Observation Letter regarding the Scheme of Arrangement of BSE Limited dated 01st August 2023.

In terms of Clause g of BSE Observation letter 01st August 2023, the following information is disclosed:

- a) the details of assets and liabilities of the Transferor Company and Transferee scheme of Arrangement, the details of assets and liabilities of Transferee Company scheme of Arrangement along with the rationale for arriving the shares entitlement ratio.
 - i. The details of assets and liabilities of the Transferor Company and Transferee Company prior scheme of Arrangement is provided in Annual Report of the Companies.
 - ii. The details of assets and liabilities of the Resulting Company is provided in Page No.71 Schedule – X in Scheme of Arrangement in the Annexure-1.
 - iii. The rationale for arriving the shares entitlement ratio is provided in the valuation report of Dinesh Kumar Deora dated 15.12.2022, read with Scheme of Arrangement.
- b) Detailed rationale for inter-se transfer in the scheme along with shareholding of each promoter after the inter-se transfer and the Scheme of Arrangement as follows:
 - i. The Scheme will enable both the Demerged and Resulting Companies to carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests. The Scheme will enable both the Companies to take advantage of the opportunities foreseen in their respective businesses and to assist in the exploitation and realization of the full potential in the respective businesses and implement schemes of modernization, technology upgradation, expansion, diversification etc.,
 - ii. After the implementation of the Scheme, there will be Inter-se Transfer amongst the Promoter/ Promoter Group.
 - iii. Presently, Sri Lakshmi Saraswathi Textiles (Arni) Limited (Demerged Company) is controlled by 2 groups belonging to promoter/ promoter group namely; RR Group and RS Group.
 - iv. Pursuant to Scheme of Demerger, A Mill will be under control of the Demerged Company i.e., shall be controlled by RR Group whereas B Mill will be under control of SLST Industries Limited (Resulting Company) i.e., shall be controlled by RS Group.
 - v. On completion of the entire Demerger process,
 - (a) Equity Shares held by the members of RS Group of the Demerged Company will be transferred to RR Group of the Demerged Company pursuant to inter se transfer.
 - (b) Equity Shares held by the members of RR Group of the Resulting Company will be transferred to RS Group of the Resulting Company pursuant to inter se transfer.
 - vi. This inter se transfer of shares will be done so that the Demerged Company and the Resulting Company will carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests.
 - vii. Pursuant to the inter se transfer, there will be no impact on the shareholders of the Demerged Company and the Resulting Company.
 - viii. The Reorganization of the Equity Share Capital of the Demerged Company as proposed in this scheme would be utilized to adjust the accumulated losses of the Demerged Company, so as to enable the reflection of the true and accurate financial position of the Demerged Company. The Reorganization of the Share Capital would enable and facilitate the streamlining of the financial position of the Demerged Company and also permit invitation for further debt or equity infusion. The Reorganization of the Share Capital would not prejudice any of the stakeholders and would be in the best interest of the stakeholders.
 - ix. The Scheme is in interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either Demerged Company or Resulting Company would be prejudiced as a result of the Scheme of Arrangement and the Scheme will have beneficial results for the companies, their shareholders and employees and is also in general public interest.

Inter Se transfer of shares between Promoters of Demerged Company and Resulting Company post demerger													
Category	Sri Lakshmi Saraswathi Textiles (Arul) Limited (Demerged Company)					SLST Industries Limited (Resulting Company)							
	Post Demerger but Pre Inter Se		Transfer	Post Inter Se Transfer		Post Demerger but Pre		Transfer	Post Inter Se Transfer				
	No. of shares (Face Value Rs.10)	%		No. of shares (Face Value Rs.1)	%	No. of shares (Face Value Rs.9)	%		No. of shares (Face Value Rs.9)	%			
Promoters			Buyer/Seller			Promoters		Buyer/Seller					
RR Group						RR Group							
R THIRUMALAI	226003	6.78	Buyer	226003	452006	13.56	R THIRUMALAI	227303	6.80	Seller	-227303	0	0
R. PADMANABHAN	223900	6.72	Buyer	223900	447800	13.44	R. PADMANABHAN	225400	6.74	Seller	-225400	0	0
R. RAJAGOPAL	220800	6.63	Buyer	220800	441600	13.23	R. RAJAGOPAL	222300	6.63	Seller	-222300	0	0
R. PADMINI	210600	6.32	Buyer	210600	421200	12.64	R. PADMINI	212100	6.34	Seller	-212100	0	0
		0.00		0	0	0.00							
Total of RR Group (A)	881303	26.44		881303	1762606	52.89	Total of RR Group (A)	887303	26.53		-887303	0	0
RS Group							RS Group						
S. BALAKRISHNA **	784630	23.54	Seller	-711303	73347	2.20	S. BALAKRISHNA **	786130	23.50	Buyer	712803	149893	44.82
SRISH JAYENDER BALAKRISHNA	170000	5.10	Seller	-170000	0	0.00	SRISH JAYENDER BALAKRISHNA	171300	5.13	Buyer	171300	343000	10.25
SHANTHA SRIHARI	0	0.00	Seller	0	0	0.00	SHANTHA SRIHARI	1500	0.04	Buyer	1500	3000	0.09
SANGEETA KRISHNA	0	0.00	Seller	0	0	0.00	SANGEETA KRISHNA	1300	0.04	Buyer	1300	3000	0.09
Total of RS Group (B)	954630	28.64		-881303	73347	2.20	Total of RS Group (B)	960650	28.72			1847953	55.25
Total Promoter (C) = (A) + (B)	1835953	55.09			1835953	55.09	Total Promoter (C) = (A) + (B)	1847953	55.25			1847953	55.25
Public (D)	1496797	44.91			1496797	44.91	Public (D)	1496797	44.75		0	1496797	44.75
Grand Total (C) + (D)	3332750	100.00			3332750	100.00	Grand Total (C) + (D)	3344750	100.00			3344750	100.00

For Sri Lakshmi Saraswathi Textiles (Arul) Limited (Demerged Company)			For SLST Industries Limited (Resulting Company)		
1. S. Balakrishna of RS Group will transfer his 7,11,303 shares to following members of RR Group as follows:			1. Following Promoters of RR Group will transfer 711303 shares to S. Balakrishna of RS Group as follows:		
R. Thirumalai	226003	6.78	R. Thirumalai	227303	6.80
R. Padmanabhan	223900	6.72	R. Padmanabhan	223900	6.69
R. Rajagopal	220800	6.63	R. Rajagopal	220800	6.60
R. Padmini	40600	1.22	R. Padmini	40600	1.21
Total	711303	21.34	Total	712803	21.31
2. Excess share of 2.20% of S. Balakrishna will be sold in the Open Market			2. Following Promoters of RR Group will transfer 171300 shares to Srish Jayender Balakrishna of RS Group as follows:		
			R. Padmanabhan	1500	0.04
			R. Padmini	170000	5.08
			Total	171500	5.13
3. Srish Jayender Balakrishna of RS Group will transfer his 1,70,000 shares to following members of RR Group as follows:			3. Following Promoter of RR Group will transfer 1500 shares to Shantha Srihari of RS Group as follows:		
R. Padmini	170000	5.10	R. Rajagopal	1500	0.04
Total	170000	5.10	Total	1500	0.04
			4. Following Promoter of RR Group will transfer 1500 shares to Sangeeta Krishna of RS Group as follows:		
			R. Padmini	1500	0.04
			Total	1500	0.04

c) Rationale for not cancelling previous paid-up capital of SLST Industries Ltd., as a part of the Explanatory Statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to its shareholders while seeking approval U/sec. 230 to 232 of the Companies Act, 2013, so that public shareholders can make an informed decision on the matter.

The Paid-up Share Capital of SLST Industries Limited ("SIL"/ "the Resulting Company") is not cancelled since it is the requirement of BSE Limited that in case where a listed company merges with an unlisted company or division of a listed company is hived off into an unlisted company and the unlisted company applies for listing to BSE, the transferee / resulting company should have a minimum paid up capital of Rs. 3 crores post scheme of Arrangements /arrangement.

SIL, the Resulting Company will be allotting 33,32,750 new Equity Shares of the Face Value of Rs. 9/- amounting to Rs. 2,99,94,750/- to the Shareholders of the Demerged Company. SIL in order to comply with the requirements of BSE (i.e., resulting company should have a minimum paid up capital of Rs. 3 crores post scheme of arrangement) did not cancel the existing 12,000 Equity Shares of the Face Value of Rs. 9/- amounting to Rs. 1,08,000/- . Accordingly, the Paid-up capital of the SIL shall be Rs. 3,01,02,750/- (Rs. 1,08,000/- + Rs. 2,99,94,750/-).

Cost benefit analysis of the scheme

- The Scheme if implemented will facilitate a separate and better management focus for both the Demerged Company and the Resulting Company on their respective units and thereby provide the distinct competencies required for achieving full potential, in order to meet the betterment of their respective customers, their needs, priorities and thereby eliminating any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success.
- Further the proposed Scheme of Arrangement (Demerger) is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholders value and to achieve higher long-terms financial returns.
- The Scheme will contribute in furthering and fulfilling the objects of the companies concerned.

47. Approvals, sanctions or no- objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of arrangement

As mentioned previously, BSE, had vide their letters dated August 1, 2023, have conveyed "no adverse observations / no-objection" to the Scheme. After the Scheme is approved by the equity shareholders (including Public Shareholders), Unsecured creditors and Secured Creditors of Demerged and Resulting Company by requisite majority, it will be subject to the approval / sanction by NCLT or any other statutory or regulatory authorities as may be applicable.

48. A statement to the effect that the persons to whom the notice is sent may vote through electronic means only

As per the directions of the Tribunal, the meeting is proposed to be held through VC / OAVM with the facility of e-voting and remote e-voting. Secured Creditors of Demerged Company as on the cut-off date are eligible to vote during the meeting through Remote e-voting and e-voting system during the meeting.

**NOTICE
SECURED CREDITORS**

49. Investigation or proceedings, if any, pending against the company under the Act

No investigation proceedings are pending under the provisions of Chapter XIV of the Companies Act, 2013 or under any the provisions of the Companies Act, 1956 against the Demerged Company i.e. Sri Lakshmi Saraswathi Textiles (Arni) Ltd., and Resulting Company i.e. SLST Industries Limited.

50. Abridged prospectus as per (Annexure-15) of Resulting Company i.e SLST Industries Limited forms part of notice along with merchant banker and due diligence certificate obtained from **Mark Corporate Advisors Private Limited.**

51. Other Disclosures

- a) In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.
- b) This statement may be treated as an Explanatory Statement under Section 230 of the Companies Act, 2013 read with Sections 102 and 110 of the Companies Act, 2013. A copy of the Scheme and Explanatory statement may also be obtained free of cost from the registered office of the Company.
- c) The Company will make a petition under Section 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Arrangements) Rules, 2016 to the Hon'ble National Company Law Tribunal, Chennai Bench, for sanctioning of the Scheme.
- d) Under Section 230 of the Companies Act, 2013, the proposed Scheme will have to be approved by a majority in number representing three-fourths in value of the Secured Creditors present and voting.
- e) The scheme is conditional upon scheme being approved by the public shareholders through e-voting in terms of Para 10(a) of Part I of SEBI Master Circular No.SEBI/HO/CFD /POD-2/P/CIR/2023/93 dated June 20, 2023 and the Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.
- f) The rights and interests of the members and the creditors of the Participating Companies will not be prejudicially affected by this Scheme of Arrangements.
- g) The Directors and KMPs, as applicable, of the Participating Companies and their relatives do not have any concern or interest, financially or otherwise, in the Scheme except as directors and shareholders in general.

The Board of Directors, considering the rationale and benefits of the Scheme, recommends the Scheme for approval of the Secured Creditors by passing resolution with requisite majority

Dated this 25th day of February, 2025.

Balakrishna S
Managing Director
(DIN 00084524)
SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

ANNEXURES

ANNEXURES

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3.	Fairness Opinion dated 20.01.2023 issued by M/s. Mark Corporate Advisors Pvt Ltd.,	Annexure – 3	99 - 102
4.	Auditors Certificate dated 28.04.2022 on conformity of accounting treatment issued by M/S. SBSB and Associates, Chartered Accountants to Sri Lakshmi Saraswathi Textiles (Arni) Ltd.,	Annexure – 4	103 - 106
5.	Auditors Certificate dated 28.04.2022 on conformity of accounting treatment issued by M/s.S.Viswanathan LLP, Chartered Accountants to SLST Industries Ltd.	Annexure – 5	107 - 108
6.	Report of Audit Committee dated 29.04.2022 of Sri Lakshmi Saraswathi Textiles (Arni) Ltd.,	Annexure – 6	109 - 116
7.	Report of Committee of Independent Directors dated 29.04.2022 of Sri Lakshmi Saraswathi Textiles (Arni) Ltd.,	Annexure – 7	117 - 124
8.	Report adopted by the Board of Directors of Sri Lakshmi Saraswathi Textiles (Arni) Ltd., Pursuant to Section 232(2)(c) of the Companies Act 2013 explaining the effect of the Scheme of Arrangement dated 29.04.2022	Annexure – 8	125 - 130
9.	Report adopted by the Board of Directors of SLST Industries Ltd., Pursuant to Section 232(2)(c) of the Companies Act 2013 explaining the effect of the Scheme of Arrangement dated 29.04.2022	Annexure – 9	131 - 136
10.	Observation letter dated August 1, 2023 from BSE Ltd.,	Annexure – 10	137 - 140
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12.	Compliance Report filed with the BSE Ltd., by Sri Lakshmi Saraswathi Textiles (Arni) Ltd., dated 13.07.2022	Annexure –12	143 - 144
13.	Audited Financial Statement of Sri Lakshmi Saraswathi Textiles (Arni) Ltd.,as on 31.03.2024	Annexure –13	145 - 194
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14.	Audited Financial Statement of SLST Industries Ltd., as on 31.03.2024	Annexure –14	199 - 214
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15.	Abridged prospectus of Resulting Company i.e. SLST Industries Limited and due diligence certificate.	Annexure – 15	227 - 236
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ANNEXURE

1

SCHEME OF ARRANGEMENT

**(UNDER SECTION 232 READ WITH SECTION 230 OF THE COMPANIES ACT,
2013)**

BETWEEN

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

(Demerged Company)

AND

SLST INDUSTRIES LIMITED

(Resulting Company)

AND

THEIR RESPECTIVE SHAREHOLDERS

1. PREAMBLE

This Scheme of Arrangement (Demerger) is presented pursuant to the provisions of Section 232 read with Section 230 and all other applicable provisions of the Companies Act, 2013, and the relevant rules there under between Sri Lakshmi Saraswathi Textiles (Arni) Limited (**Demerged Company**) and SLST Industries Limited (**Resulting Company**) and their Respective members.

2. DESCRIPTION OF THE COMPANIES:

A. SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED (Demerged Company):

- i). The Demerged Company is a Listed Public Limited Company and was incorporated on 02nd May 1964 under the Companies Act, 1956 in the State of Tamil Nadu.
- ii). The Registered Office of the Demerged Company is situated at 16, Krishnama Road, Nungambakkam, Chennai - 600034, Tamil Nadu.
- iii). The Corporate Identity Number (CIN) of the Demerged Company is L17111TN1964PLC005183.
- iv). The Demerged Company is engaged in the business of manufacturing, buying, selling of yarn cloth and other fabrics made from raw cotton,

waste cotton, silk, artificial silk staple fibre, polypropylene, fibre, rayon, wool, polyester, viscose and any blended variety of the aforementioned materials, flex, hemp, jute, wool and silk merchants, growers of mulberry or other trees and producers of any other articles.

- v). The Equity Shares of the Demerged Company are listed and traded on BSE Limited (BSE).

B. SLST INDUSTRIES LIMITED (Resulting Company):

- i). The Resulting Company is an Unlisted Public Limited Company limited by shares and was incorporated on 04th October 2018 under the Companies Act, 2013, in the State of Tamil Nadu.
- ii). The Registered Office of the Resulting Company is situated at New No.16, Old No.17, Krishnama Road, Nungambakkam, Chennai - 600034, Tamil Nadu.
- iii). The Corporate Identity Number (CIN) of the Resulting Company is U17299TN2018PLC125103.
- iv). The Resulting Company is incorporated to carry on the business of spinning and weaving and manufacturing, buying, selling, exporting or importing of yarn cloth and other fabrics made from raw cotton, waste cotton, silk, artificial silk staple fibre, polypropylene, fibre, rayon, wool, polyester, viscose and any blended variety of the aforementioned materials, flex, hemp, jute, wool and silk merchants, growers of mulberry or other trees and producers of any other articles.

3. The Demerged Company has the following Undertakings:

- (i) **B Mill:** A Spinning Mill with installed capacity of 35,088 Ring Spindles, manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu **(DEMERGED UNDERTAKING)**

and

- (ii) **A Mill:** A Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu **(REMAINING UNDERTAKING).**

4. The present Scheme of Arrangement (Demerger) under Sections 230 to 232 of the Companies Act, 2013, (hereinafter referred to as the '**Scheme**') has been propounded between the Demerged Company and the Resulting Company, in the present form, to be implemented with or without such modification(s) as may be caused or imposed or directed by the shareholders and/or by the Tribunal and this Scheme inter-alia providing for the transfer of B Mill of the Demerged Company and vesting of the same in the Resulting Company.

This Scheme is drawn up in compliance with the provisions of section 2 (19AA) of the Income Tax Act, 1961 pertaining to the demerger and should always be read as in compliance of the said section.

5. RATIONALE FOR THE SCHEME

The circumstances which justify and have necessitated the proposed Scheme of Arrangement (Demerger) are as follows:-

- (i) The Demerged Company is presently having installed capacity of 33,360 Ring Spindles in A Mill and 35,088 Ring Spindles in B Mill. A Mill is manufacturing all varieties of 100% cotton yarn of fine counts used for manufacture of fine varieties cloths and the products which are marketed mainly in up countries where power looms are operated in large scale and B Mill is manufacturing all varieties of cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market such as Erode, Tirupur and Pallipalayam in Tamil Nadu and other markets in the State of Maharashtra. The Resulting Company is formed with intention to absorb the transfer, demerge the B Mill (Demerged Undertaking) of the Demerged Company which has installed capacity of 35,088 Ring Spindles pursuant to Scheme of arrangement (Demerger). The Resulting Company would be focusing on mainly manufacturing all varieties of cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market. The Resulting Company will be concentrating on manufacturing of yarn suitable for manufacture of Suiting Cloth and Knitted Fabrics. Its products will continue to be marketed in the domestic market in Erode, Tirupur and Pallipalayam in Tamilnadu. Since the Resulting Company will be manufacturing yarns of different kind, garments, athletic wear, other products in the textile value chain and market them in different area and in order to manage both the Mills efficiently and in a focused manner and to improve the overall performance of both the Mills, the management of Demerged Company has considered it necessary to demerge, transfer and vest the B Mill of the Demerged Company, as a going concern into the Resulting Company.

- (ii) The Scheme if implemented will facilitate a separate and better management focus for both the Demerged Company and the Resulting Company on their respective units and thereby provide the distinct competencies required for achieving full potential, in order to meet the betterment of their respective customers, their needs, priorities and thereby eliminating any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success.
- (iii) Further the proposed Scheme of Arrangement (Demerger) is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholders value and to achieve higher long-terms financial returns.
- (iv) The Scheme will contribute in furthering and fulfilling the objects of the companies concerned.
- (v) The Scheme will enable both the Demerged and Resulting Companies to carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests. The Scheme will enable both the Companies to take advantage of the opportunities foreseen in their respective businesses and to assist in the exploitation and realization of the full potential in the respective businesses and implement schemes of modernization, technology upgradation, expansion, diversification etc.,
- (vi) After the implementation of the Scheme, there will be Inter-se Transfer amongst the Promoter/ Promoter Group.
- (vii) Presently, Sri Lakshmi Saraswathi Textiles (Arni) Limited (Demerged Company) is controlled by 2 groups belonging to promoter/ promoter group namely; RR Group and RS Group.
- (viii) Pursuant to Scheme of Demerger, A Mill will be under control of the Demerged Company i.e., shall be controlled by RR Group whereas B Mill will be under control of SLST Industries Limited (Resulting Company) i.e., shall be controlled by RS Group.

- (ix) On completion of the entire Demerger process,
 - i. Equity Shares held by the members of RS Group of the Demerged Company will be transferred to RR Group of the Demerged Company pursuant to inter se transfer.
 - ii. Equity Shares held by the members of RR Group of the Resulting Company will be transferred to RS Group of the Resulting Company pursuant to inter se transfer.

- (x) This inter se transfer of shares will be done so that the Demerged Company and the Resulting Company will carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests.

- (xi) Pursuant to the inter se transfer, there will be no impact on the shareholders of the Demerged Company and the Resulting Company.

- (xii) The Scheme will result in business synergies, synergies in operational process and creation of efficiencies by reducing time to market and benefiting customers as well as optimization of operation and capital expenditure.

- (xiii) The Reorganization of the Equity Share Capital of the Demerged Company as proposed in this scheme would be utilized to adjust the accumulated losses of the Demerged Company, so as to enable the reflection of the true and accurate financial position of the Demerged Company. The Reorganization of the Share Capital would enable and facilitate the streamlining of the financial position of the Demerged Company and also permit invitation for further debt or equity infusion. The Reorganization of the Share Capital would not prejudice any of the stakeholders and would be in the best interest of the stakeholders.

- (xiv) The Scheme is in interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either Demerged Company or Resulting Company would be prejudiced as a result of the Scheme of Arrangement and the Scheme will have beneficial results for the companies, their shareholders and employees and is also in general public interest.

PARTS OF THE SCHEME

- (i) **PART-A**, which deals with Definitions and Share Capital.

- (ii) **PART-B**, which deals with demerger, transfer and vesting of the Demerged Undertaking into the Resulting Company.
- (iii) **PART-C**, which deals re-organization of Share Capital of the Demerged Company.
- (iv) **PART-D**, which deals issuance of shares by the Resulting Company.
- (v) **PART-E**, which deals with the accounting aspects of the Scheme.
- (vi) **PART-F**, which deals with the general terms and conditions applicable to the Scheme.

PART – A
DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings respectively assigned against them.

- 1.1 “**ACT**” means the Companies Act, 2013, along with rules and regulations issued thereunder, including, any statutory modifications, re-enactments or amendments made thereto from time to time.
- 1.2 “**APPOINTED DATE**” means April 01, 2021 or such other date as the Tribunal may direct or fix, for the purpose of the Scheme of Arrangement (Demerger).
- 1.3 “**BOOK VALUE(S)**” means the value(s) of the assets and liabilities of the Business Undertakings as appearing in the books of accounts of the Demerged Company at the close of the business as on the day immediately preceding the Appointed Date (**i.e. 31st March 2021**) and excluding any value arising out of revaluation of any assets.
- 1.4 “**BOARD OF DIRECTORS**” or “**BOARD**” means the Board of Directors of the Demerged Company or the Resulting Company, as the case may be, and shall include a duly constituted committee thereof.
- 1.5 “**COURT**” or “**TRIBUNAL**” or “**ADJUDICATING BODY (IES)**” means the National Company Law Tribunal (“**NCLT**”) bench at Chennai as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any Composite Scheme of Amalgamation and Arrangement under the relevant provisions of the Act.
- 1.6 “**DEMERGED COMPANY**” means SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED, a Company incorporated under the Companies Act, 1956, on 02nd May, 1964 and having its Registered Office at 16, Krishnama Road, Nungambakkam, Chennai - 600034, Tamil Nadu, India.
- 1.7 “**DEMERGED UNDERTAKING**” means the **B Mill** – which is a Spinning Mill with an installed capacity of 35,088 Ring Spindles comprising of the manufacturing yarn for weaving and knitting business as a going concern and without prejudice to the above shall include but not in any way limited to the following:

- i. all immovable Properties i.e. land together with the buildings and structures standing thereon(whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, structures, workshop, benefits of any rental agreement for the use of premises, marketing offices, share of any joint assets etc., which immovable properties are currently being used exclusively and solely for the purpose of and in relation to the demerged undertaking and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties and also include the items listed in the **Schedule I**.
- ii. all assets, as are movable in nature and exclusively and solely pertaining to and in relation to the Demerged Undertaking, whether present or future or contingent, tangible or intangible including goodwill, whether recorded in the books or not, in possession or reversion, including electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, tools, plants, vehicles, inventory and stock in trade, wherever lying, actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances recoverable in cash or kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, Semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letter of credit and also include the items as listed in the **Schedule II**.
- iii. All debts and liabilities, secured and unsecured, exclusively relating to the operations of "Demerged Undertaking", as per the records of the Demerged Company, including borrowings, contractual liabilities, guarantees, provisions, deposits from Consignment Agent as mentioned in the **Schedule III & IV**. The Security deposits, Fixed Deposits, Investments and financial assets of the Demerged Undertaking as mentioned in the **Schedule V**.
- iv. All permits, licenses, permissions, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, incentives, tax deferrals and exemptions and

other benefits (in each case including the benefit of any applications made for the same), income tax benefits, deductions and exemptions, liberties and advantages, approval for commissioning of project and other licenses or clearances, granted / issued / given by any Appropriate Authorities, organizations or companies for the purpose of carrying on the business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the Demerged Undertaking as mentioned in the **Schedule VI**.

- v. All tax related assets, all the credits for taxes such as sales tax, Minimum alternate tax credit, service tax, CENVAT, GST, tax deduction at source, accumulated losses and unabsorbed depreciation as per books if any as well as per the Income tax Act enjoyed by the demerged Company pertaining to the Demerged Undertaking as mentioned in the **Schedule VII**.
- vi. Details of charges created, modified and registered in the name of the Demerged Company including hypothecation, security deposits, mortgages and encumbrances which are pertaining to the Demerged Undertaking as listed in the **Schedule VIII**.
- vii. All books, records, files, papers, computer programs along with their licenses, manuals and back-up, copies, drawing, other manuals, data catalogue, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customers pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the operations of the "Demerged Undertaking".
- viii. All rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favor of or enjoyed by the Demerged Company forming part of the Demerged undertaking and all other interests of whatsoever nature

belonging to or in the ownership, power, possession or control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company and forming part of the Resulting Company.

- ix. Liabilities other than those referred to in sub-clauses (iii) above and not directly relatable to the Remaining Undertaking of Demerged Company, shall be allocated to the Demerged Undertaking.
 - x. All permanent and/or temporary employees of Demerged Company substantially engaged in the Demerged Undertaking and those permanent and/or temporary employees that are determined by the Board of Directors of the Demerged Company, to be substantially engaged in or relatable to the Demerged Undertaking.
 - xi. All liabilities, actual and contingent, including liabilities accruing after the Appointed Date and relating to the period prior to the Effective Date, both specific and non-specific, inclusive of statutory liabilities, taxes, duties, levies, term loans and bank borrowings and provisions, duties and obligations specifically contracted for or incurred in the ordinary course of business with respect to the Demerged Undertaking.
 - xii. All legal or other proceedings of whatsoever nature that form part of the Demerged undertaking as mentioned in **Schedule IX**.
 - xiii. The Balance sheet as on 31.03.2021 of the Demerged Undertaking (B Mill) and the Remaining Undertaking (A Mill) of the Demerged Company. (**Schedule X**).
- 1.8 **"EFFECTIVE DATE"** means the later of the dates on which the certified copies of the Order(s) of the Court or Tribunal sanctioning this Scheme of Arrangement (Demerger) are filed with the Registrar of Companies, Tamil Nadu Chennai by the Demerged Company and the Resulting Company. Any reference in this section of the scheme said that "On the Scheme becoming effective" or "Upon the Scheme becoming Effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date."
- 1.9 **"ENCUMBRANCE"** means any option, pledge, mortgage, lien, security interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever.
- 1.10 **"LISTING REGULATION"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other SEBI Regulations as applicable to the Scheme.

- 1.11 "**RECORD DATE**" means, in respect of demerger of the Demerged Undertaking into the Resulting Company, the date to be fixed by the Board of Directors of the Resulting Company in consultation with the Board of Directors of the Demerged Company, for the purposes of issue and allotment of Equity Shares by the Resulting Company to the equity shareholders of the Demerged Company.
- 1.12 "**ROC**" means the Registrar of Companies, Tamil Nadu, Chennai having jurisdiction in relation to both the Demerged Company and the Resulting Company.
- 1.13 "**RESULTING COMPANY**" means SLST INDUSTRIES LIMITED, a Company incorporated under the Companies Act, 2013, on 04th October, 2018 and having its Registered Office at New No.16, Old No.17, Krishnamachari Road, Nungambakam, Chennai - 600034, Tamil Nadu, India.
- 1.14 "**REMAINING UNDERTAKING OR REMAINING BUSINESS**" means, **A Mill** – which is the Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting (i.e other than the Demerged Undertaking) and without prejudice to the above shall include the following:
- i. The entire business and all the properties including immovable properties, movable assets, on a going concern basis and comprising inter alia of all the assets and liabilities attributable or relatable to the same and shall include all tangible and intangible assets, leased movable and immovable assets and properties including lease and hire purchase contracts, lending contracts, revisions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, engagements, arrangements, tax credits, deposits and exemptions, approvals and consents, rights, titles, interests, benefits and advantages of whatsoever nature and where so ever situated, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of, or enjoyed by the Remaining Undertaking, including but without being limited to commercial or industrial rights of any nature whatsoever, liberties, permits, concessions, subsidies, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections, land installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements and all other interests and all the duties and obligations, security deposits, mortgages, charges and encumbrances, if any, in favour of the banks or the financial institutions on the assets of the Remaining Undertaking, in connection with, appertaining to and/or allocated to and/or belonging to and/or in the ownership, power or possession and in the control of or

vested in or granted in favour of or enjoyed by such Undertaking as on the Effective Date as per the records of the Demerged Company, including all necessary records, files, papers, computer programmes, websites, domain names, manuals, data, catalogues, quotations, sales and advertising materials, details of lessees and other records, whether in physical form or electronic form in connection with or relating to the Remaining Undertaking [hereinafter collectively referred to as 'the said assets'];

- ii. All liabilities, actual and contingent, including liabilities accruing after the Appointed Date and relating to the period prior to the Effective Date, both specific and non-specific, inclusive of statutory liabilities, taxes, duties, levies, term loans and bank borrowings and provisions, duties and obligations specifically contracted for or incurred in the ordinary course of business with respect to the Remaining Undertaking;
- iii. All permanent employees engaged in the business activities of the Remaining Undertaking;
- iv. All books, records and requisite documents pertaining to the business activities of the Remaining Undertaking.

1.15 **“SCHEME OF ARRANGEMENT”** or **“THIS SCHEME”** or **“THE SCHEME”** shall mean this Scheme of Arrangement in its present form and with such modifications and amendments as may be made from time to time with the appropriate approvals and sanctions of the Court or Tribunals and other relevant regulatory/statutory/ governmental authorities, as may be required under the Act, and/or any other applicable laws.

1.16 **“SEBI”** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

1.17 **“SEBI Circulars”** means the circulars issued by Securities and Exchange Board of India in relation to the Scheme of amalgamations and arrangements carried out under the Act and shall *inter-alia* include SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 including any amendments, if any.

1.18 **Split of Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company:** The Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company is Rs. 3,33,27,500/- (Rupees Three Crore Thirty Three Lakhs Twenty Seven Thousand and Five Hundred Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and

Fifty Only) Equity Shares of the Face Value of Rs. 10/- (Rupees Ten Only) each fully paid up. It is proposed to Split the Share Capital of the Company between the Demerged Company and the Resulting Company as follows:

- i. **Demerged Company:** Rs. 33,32,750/- (Rupees Thirty Three Lakhs Thirty Two Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Re. 1/- (Rupees One Only) each fully paid up.
- ii. **Resulting Company:** Rs. 2,99,94,750/- (Rupees Two Crores Ninety-Nine Lakhs Ninety-Four Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Rs. 9/- (Rupees Nine Only) each fully paid up.

All other terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

2.1 DEMERGED COMPANY

The Authorised, issued, subscribed and paid-up share capital of the Demerged Company as on date is as under:-

PARTICULARS	AMOUNT IN RS.
Authorised Share Capital	
15,000,000 Equity Shares of Rs.10/- each	150,000,000
5,000,000 Preference shares of Rs.10/- each	50,000,000
Total	20,00,00,000
Issued, Subscribed, and Paid-up Share Capital	
33,32,750 Equity Shares of Rs.10/- each	33,327,500
Total	33,327,500

2.2 RESULTING COMPANY

The Authorised, Issued, Subscribed and Paid-up share capital of the Resulting Company as on date as follows:

PARTICULARS	AMOUNT IN RS.
Authorised Share Capital	
12,000 Equity Shares of Rs. 9/- each	1,08,000
Total	1,08,000
Issued, Subscribed, and Paid-up Share Capital	
12,000 Equity Shares of Rs. 9/- each	1,08,000
Total	1,08,000

PART – B**DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING
OF THE DEMERGED COMPANY IN TO THE RESULTING COMPANY****3. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING:**

- 3.1 With effect from the Appointed Date and upon this Scheme becoming effective on the Effective Date, subject to the provisions of this Scheme in relation to the modalities of transfer and vesting, stipulated herein below in this Clause 3 and pursuant to Section 232(4) of the Act, the entire Demerged Undertaking of the Demerged Company shall be de-merged and transferred to and shall be vested in or shall be deemed to have been transferred to and vested in the Resulting Company, as a going concern, for all the estate, right, title and interest of the Demerged Company therein without any further act or deed, with effect from the opening of business as on the Appointed Date so as to become the property of the Resulting Company.
- 3.2 All the assets and properties of the Demerged Company pertaining to the Demerged Undertaking, as on the Appointed Date and becoming effective on the Effective Date, that are movable in nature and/or are not permanently embedded to earth and/or which are capable of being dismantled and reassembled at a different location and/or are otherwise capable of transfer by physical delivery or by a mere endorsement and delivery, but other than the assets and properties covered by Clause 3.4 below, shall, upon the Scheme becoming effective, be physically handed over by manual delivery or by endorsement and delivery, by the Demerged Company to the Resulting Company, to the end and intent that the property(ies) therein passes to and vests in and/or shall be deemed to have passed on and vested in the Resulting Company, with effect from the Appointed Date and shall become the assets and properties of the Resulting Company with effect from the Appointed Date, without requiring any further act, deed or instrument of conveyance for the same.
- 3.3 All other movable assets owned by the Demerged Company in relation to the Demerged Undertaking as on the Appointed Date shall upon the Scheme becoming effective, shall stand assigned and transferred to and vested in and be deemed to have been assigned, transferred and vested in the Resulting Company with effect from the Appointed Date, without

requiring any further act, deed or instrument for such vesting of the same in favour of Resulting Company. Consequently, the Resulting Company may issue notices/ intimations to all parties concerned, in such form as the Resulting Company may deem fit and proper, stating therein that pursuant to the sanctioning of the Scheme by the Tribunal, the relevant actionable claims, sundry debtors, outstanding loans, deposits, advances, accounts receivable stand assigned to and vested in the Resulting Company and therefore be paid or made good to and/or held on account of the Resulting Company, being the party entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company.

- 3.4 All the immovable assets and properties of Demerged Company pertaining to the Demerged Undertaking as on the Appointed Date, shall, upon this Scheme becoming effective, be transferred to and be vested and/or be deemed to be transferred to and be vested in Resulting Company, with effect from the Appointed Date, without any further act or deed, pursuant to the order of Tribunal passed under the provisions of Section 232 of the Act. The mutation of the title of the immovable properties or recording of transfer of title or ownership of the assets registered with any authority, in favour of Resulting Company, shall be made and duly recorded by all appropriate authority (ies), as from the Appointed Date, pursuant to the aforesaid order of the Tribunal sanctioning this Scheme, on payment of stamp duty, costs and charges, if any. Within 30 days of the Scheme becoming effective, the Demerged Company shall undertake to discharge the properties being vested in the Resulting Company from banks, financial institutions and endeavour to release the charge from the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI). The immovable properties as mentioned in Schedule-I(1) shall be transferred by the Demerged Company to Resulting Company. The Original Title Deeds of immovable properties as mentioned in Schedule - I (1), where the part of the property is being transferred in which majority of the portion being transferred to the Resulting Company, shall be handed over by the Demerged Company to Resulting Company and shall be preserved by the Resulting Company. The Demerged Company and the Resulting Company shall produce the Original Title Deeds being retained by them for inspection within 48 hours of receipt of request from the other Company. The Original Title Deeds of the entire property as mentioned in Schedule-I(3) shall be retained and preserved by the Demerged Company

and shall produce the same for the inspection within 48 hours of receipt of request from the Resulting Company.

3.5 All other assets whether tangible or intangible in any nature acquired or invested by the Demerged Company for or in connection with the conducting the business of Demerged Undertaking after the Appointed Date but prior to the Effective Date, shall, upon the Scheme becoming effective, be also deemed to have been acquired or invested on behalf of the Resulting Company and same shall also stand transferred to and vested in the Resulting Company, at their book values, as from the date of their acquisition by the Demerged Company. Any Change in the value of the assets consequent to their revaluation shall be ignored.

4. TRANSFER OF DEBTS & LIABILITIES:

4.1 With effect from the Appointed Date and upon the Scheme becoming effective:-

(a) All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description attributable to the Demerged Undertaking without any further act or deed, be respectively transferred to, or be deemed to be transferred to, the Resulting Company so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same. In respect of general or multipurpose borrowings, the debts, liabilities, if any, shall be transferred to or be deemed to be transferred to the Resulting Company in the proportion of the value of assets transferred. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

(b) Where any of the taxes, debts, duties, liabilities, demands and other like payments, obligations including on account of Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax, Cess, Goods and Service Tax, etc., attributed to the Demerged Undertaking of the Demerged Company has been discharged by Demerged Company on behalf of the said Demerged Undertaking, after the Appointed Date

and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.

- (c) All liabilities and obligations attributed to the Demerged Undertaking including its unsecured loans taken over by the Resulting Company may be discharged by the Resulting Company by way of one time settlement or in any other manner as the Resulting Company may deem fit.
- (d) The transfer and vesting of the Demerged Undertaking, as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the said undertaking, as the case may be, provided however, any reference in any security documents or arrangements, to which the Demerged Company is a party, wherein the assets of the Demerged Undertaking have been offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Demerged Undertakings as are vested in the Resulting Company by virtue of this Scheme, to the end and intent that such security, charge, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of the Demerged Company or any of the assets of the Resulting Company, provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages shall not extend or be deemed to extend, to any of the other assets of the Demerged Undertakings vested in the Resulting Company, provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Company in relation to the Demerged Undertaking which shall vest in the Resulting Company by virtue of the vesting of the Demerged Undertaking with the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.
- (e) All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and

advances sanctioned to the Resulting Company and the said loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by the Demerged Company in relation to the Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Resulting Company and all the obligations of the Demerged Company in relation to the Demerged Undertaking under any loan agreement shall be construed and shall become the obligation of the Resulting Company without any further act or deed on the part of the Resulting Company

- 4.2 All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Effective Date, for the operations of the Demerged Undertaking shall be discharged by the Resulting Company.

5. TRANSFER OF ASSETS AND LIABILITIES AT BOOK VALUES:

All the assets, properties and liabilities of the Demerged Undertaking shall be transferred to the Resulting Company at the same values appearing in the books of the Demerged Company as on the close of business of the day immediately preceding the Appointed Date, for this purpose, any change in value of assets, consequent to their revaluation, if any, shall be ignored.

6. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS:

- 6.1 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts (including customer and vendor contracts), deeds, bonds, agreements, arrangements, insurance policies and other instruments, if any, of whatsoever nature pertaining to the Demerged Undertaking of the Demerged Company may be eligible and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favor of the Resulting Company, as the case may be, and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.
- 6.2 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses, registrations, trademarks, patents, copy rights, privileges, powers, facilities, subsidies,

rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Demerged Undertaking of the Demerged Company, or to the benefit of which, the Demerged Undertaking of Demerged Company may be eligible, or having effect immediately before the Effective Date, shall be and remain in full force and effect in favor of or against the Resulting Company, as the case may be, and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary thereto.

- 6.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents required to carry on the Demerged Undertaking of the Demerged Company shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Resulting Company. The benefit of all such statutory and regulatory permissions, licenses, approvals and consents including statutory licenses, approvals, permissions or approvals or consents required shall vest in and become available to the Resulting Company pursuant to the Scheme.
- 6.4 All the licenses, permissions, clearances, authorizations, approvals, sanctions, consents, registrations, exemptions and no-objections, etc., obtained pertaining to the Demerged Undertaking by the Demerged Company after the Appointed Date but prior to the Effective Date, shall, upon the Scheme becoming Effective, be deemed to have been obtained on behalf of the Resulting Company and the same shall also stand transferred to and be vested in the Resulting Company, as if from the date of receipt thereof by the Demerged Company.
- 6.5 The Resulting Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.
- 6.6 All cheques and other negotiable instruments, including any electronic fund transfer received in the name of the Demerged Company towards the Demerged Undertaking and all such instruments issued by Demerged Company, including any electronic fund transfer made for payments of the

Demerged Undertaking, after the Appointed Date and upto the Effective Date, shall be deemed to have been made in the name of/by Resulting Company.

7. LEGAL PROCEEDINGS:

Upon the Scheme becoming effective, suits, writ petitions, appeals, revisions or other legal proceedings, if any, whatever nature (hereinafter called “the Proceedings”) by or against the Demerged Company with respect to the Demerged Undertaking, in any court of law or any legal forum shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Demerged Undertaking of the Demerged Company or of anything contained in the Scheme and the proceedings may be continued, prosecuted and enforced by or against Resulting Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Resulting Company as if the Scheme has not been made. On and from the Effective Date, the Resulting Company shall and may initiate or defend any legal proceeding for and on behalf of the Demerged Undertaking of the Demerged Company that is transferred, demerged and vested under this Scheme of Arrangement (Demerger).

8. STAFF, WORKMEN AND EMPLOYEES:

8.1 Upon the scheme becoming effective, the Resulting Company shall engage all staff, workmen and other employees of the Demerged Undertaking of the Demerged Company on such terms and conditions of services which shall not in any way be less favorable to them than those applicable immediately before the transfer, without any interruption of their service as a result of the transfer of the Demerged Undertaking to the Resulting Company.

8.2 The accumulated balances, if any, standing to the credit of the staff, workmen and the employees of the Demerged Undertaking of the Demerged Company in the existing Provident Fund, Gratuity Fund or any other Fund created or existing, upon the Scheme becoming effective, shall be transferred to such Provident Fund, Gratuity Fund and other Funds nominated by the Resulting Company and/or such new Provident Fund, Gratuity Fund and other Funds that may be established by the Resulting Company and caused to be recognized by the concerned authorities by it. Pending such transfer, all the contributions required to be made and dues required to be paid, in respect of Provident Fund, Gratuity

Fund and other Funds for/to the employees of the Demerged Undertaking would continue to be deposited/paid by the Resulting Company through the company or otherwise, as permissible, in/from the existing Provident Fund, Gratuity Fund and other Funds.

PART-C

9. REORGANIZATION OF SHARE CAPITAL OF THE DEMERGED COMPANY:

- 9.1 Upon the Scheme coming into effect, as an integral part of the Scheme the face value of the Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company is proposed to be reduced from Rs.10/- (Rupees Ten Only) each to Re.1/- (Rupee One Only) each. In essence the face value of the Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company shall be reduced from Rs. 3,33,27,500/- (Rupees Three Crore Thirty Three Lakhs Twenty Seven Thousand and Five Hundred Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Rs. 10/-(Rupees Ten Only) each fully paid up to Rs. 33,32,750/- (Rupees Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Re. 1/- (Rupee One Only) each. The reduced face value amount of Rs. 2,99,94,750/- (Rupees Two Crores Ninety Nine Lakhs Ninety Four Thousand Seven Hundred and Fifty Only) shall be utilized to adjust / set-off the accumulated losses of Rs. 2,99,94,750/- (Rupees Two Crores Ninety Nine Lakhs Ninety Four Thousand Seven Hundred and Fifty Only) in the books of accounts as on the Appointed Date.
- 9.2 The re-organization of the Issued, Subscribed and Paid Up share capital of the Demerged Company, shall be effected as an integral part of the Scheme itself and shall be deemed to be in accordance with the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Act as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The order of the Tribunal sanctioning the Scheme shall be deemed to be an order under Section 66 of the Companies Act, 2013 and other applicable provisions of the Act confirming the reduction without imposing a condition on the Demerged Company to add to its name "and reduced".

- 9.3 For shareholders holding shares in Physical Form and in the Dematerialization Form as on Record Date shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled pursuant to this Scheme. The members of the Demerged Company will be entitled to New Shares of Face Value of Re. 1/- each (After taking into effect the reduction of share capital of the Demerged Company shareholders holding shares in Physical Form as on Record Date, the Demerged Company shall issue new share certificates marked with Face Value of Re. 1/- each fully paid up and the same will be delivered to its members as on Record Date along with the notice to its members intimating them that the old share certificates with Face Value of Rs. 10/- each fully paid shall deemed to be have been automatically cancelled pursuant to this Scheme. For shareholders holding shares in Demat Form as on Record Date, new shares of Face Value of Re. 1/- each fully paid up will be credited automatically to their respective Demat accounts by Corporate Action with the Depositories).
- 9.4 Accordingly, upon the scheme coming into effect, (i) the face value per equity share of the Demerged Company shall be sub-divided from Rs.10/- each to Re.1/- each and (ii) the Number of Equity shares in Authorised share capital of the Demerged Company shall automatically stand increased, without any further act, instrument or deed on the part of the Demerged Company, such that upon the scheme coming into effect, the Authorised share capital of the Demerged Company shall be Rs.20,00,00,000/- (Rupees Twenty Crore Only) divided into 15,00,00,000 (Fifteen Crore Only) Equity shares of Re.1/- (Rupee One Only) each and 50,00,000 (Fifty Lakhs Only) Preference Shares of Rs.10/- (Rupees Ten Only) each.
- 9.5 Consequently, Clause V (a) of the Memorandum of Association of the Demerged Company shall, upon the coming into effect of this Scheme and without any further act or deed, be and stand altered, modified and substituted pursuant to Sections 13, 61 and 230 to 232 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:
- "V (a). The Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 15,00,00,000 (Fifteen Crore Only) Equity shares of Re.1/-(Rupee One Only) each and 50,00,000 (Fifty Lakhs Only) Preference shares of Rs.10/-(Rupees Ten Only) each."***

- 9.6 It is hereby clarified that the approval of the shareholders of the Demerged Company to this Scheme shall be deemed to be their consent/approval also to the sub-division of the equity share capital of the Demerged Company and consequential alteration of the Memorandum of Association of the Demerged Company and the Demerged Company shall not be required to seek separate consent/approval of its shareholders for such alteration of the Memorandum of Association of the Demerged Company as required under Sections 13 and 61 of the Act.
- 9.7 The Equity Shares of the Demerged Company shall continue to be listed on BSE Limited ("Stock Exchange") and the Demerged Company shall make necessary applications to BSE Limited, pursuant to the Scheme coming into effect, to note consequential changes due to reorganization of the share capital of the Demerged Company.
- 9.8 Upon the coming into effect of this Scheme, the Demerged Company shall file the requisite form(s) with the Registrar of Companies for sub-division, reduction of its equity share capital and for alteration of its authorised share capital.
- 9.9 The Authorised, Issued, Subscribed and Paid-up share capital of the Demerged Company pre and post re-organization of the Share Capital of the Demerged Company is provided hereunder:-

PARTICULARS	Pre-Reorganization of Share Capital (Amount in Rs.)	Post Re-Organization of Share Capital (Amount in Rs.)
Authorised Share Capital		
1,50,00,000 Equity Shares of Rs.10/- each	15,00,00,000	-
50,00,000 Preference shares of Rs.10/- each	5,00,00,000	-
15,00,00,000 Equity Shares of Re.1/- each	-	15,00,00,000
50,00,000 Preference shares of Rs.10/- each	-	5,00,00,000
Total	20,00,00,000	20,00,00,000
Issued, Subscribed, and Paid-up Share Capital		
33,32,750 Equity Shares of Rs.10/- each	3,33,27,500	-
33,32,750 Equity Shares of Re.1/- each	-	33,32,750
Total	3,33,27,500	33,32,750

PART-D
ISSUANCE OF SHARES BY RESULTING COMPANY

10. ISSUANCE OF SHARES:

- 10.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company in terms of Part-B of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to the equity shareholders of the Demerged Company, whose name is recorded in the register of members and records of the depositories as members of the Demerged Company, as on the Record Date, 1 (one) equity share of Rs. 9/- (Rupees Nine only) each of the Resulting Company credited as fully paid-up for every 1 (one) equity share of Re.1/- (Rupee One only) each held by such shareholder of the Demerged Company ("New Equity Shares").
- 10.2 The New Equity Shares to be issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank pari-passu in all respects with the existing equity shares of the Resulting Company after the Record Date including with respect to dividend, bonus entitlement, voting rights and other corporate benefits.
- 10.3 The Resulting Company, shall, increase its authorised share capital, to the extent required, in order to issue the New Equity Shares under this Scheme in accordance with the procedure prescribed under Section 13, 61 of the Companies Act, 2013.
- 10.4 The New Shares, to be issued by the Resulting Company pursuant to Clause 10.1 above, shall be issued and allotted to all the members of the Demerged Company in demat form i.e. dematerialized shares into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall also receive the equity shares to be issued by the Resulting Company, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Demerged Company and/ or its registrar provided such intimation has been

received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then such shares shall be kept in Demat Suspense Account which shall be operated by the Directors of the Resulting Company for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company, if permitted under Applicable Law.

- 10.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the transition period.
- 10.6 The New Equity Shares issued and/or allotted pursuant to Clause 10.1, in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Resulting Company.
- 10.7 In the event the New Equity Shares are required to be issued and allotted to such shareholders of Demerged Company, being non-resident, the issue of such shares shall be in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder (for the time being in force, including, any statutory modifications, re-enactments or amendments made thereto from time to time).

- 10.8 For the purpose of issue of the New Equity Shares to the equity shareholders of the Demerged Company, the Resulting Company may, if and to the extent required, apply for and obtain the required statutory approvals from the Governmental Authorities for the issue and allotment by the Resulting Company of such New Equity Shares.
- 10.9 The issue and allotment of the New Equity Shares in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act have been complied with.
- 10.10 Upon the coming into effect of this Scheme, the Resulting Company shall file the requisite form(s) with the Registrar of Companies for increase of its Authorised share capital and Issued, Subscribed and Fully Paid up Equity share capital.
- 10.11 Subsequent to the sanction of the Scheme, the Resulting Company will make an application for listing of its equity shares, including the New Equity Shares on the stock exchange in which the shares of the Demerged Company are listed, in pursuance to the relevant regulations including, the SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 including any amendments, if any issued by SEBI in relation to application under sub-rule (7) of Rule 19 of the Securities Contract Regulation Rules, 1957 for relaxing strict enforcement of Clause (b) to sub-rule (2) of Rule 19 of the said rules.
- 10.12 The shares allotted pursuant to the Scheme shall remain frozen in the depositories system until listing / trading permission is given by the designated stock exchange.
- 10.13 There shall be no change in the Shareholding Pattern or control in the Resulting Company, between the Record Date and the listing of the shares of the Resulting Company by the relevant Stock Exchange in terms of this Scheme.
- 10.14 The Demerged Company shall duly comply with provisions of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 including any amendments, if any and Listing Regulations.

PART-E
ACCOUNTING ASPECTS OF THE SCHEME

11. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY:

Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall account for the demerger, in its books of account in accordance with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act as applicable and general accepted accounting principles in India in the following manner:

- 11.1 The Demerged Company shall transfer all assets and liabilities pertaining to the Demerged Undertaking to the Resulting Company as on the Appointed Date at the values listed in Schedule X of this Scheme and appearing in its books of accounts and correspondingly reduce from its books of account, the book values appearing on Appointed Date in accordance with the provisions of section 2(19AA) of the Income Tax Act;
- 11.2 The difference i.e. the excess or shortfall, as the case may be, of the net book value of Assets over the liabilities transferred pertaining to or attributable to the Demerged Undertaking, and demerged from the Demerged Company pursuant to the Scheme, shall be carried to Capital Reserve.

12. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY:

- 12.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company, shall record the assets and liabilities of the Demerged Undertaking vested in it pursuant to this Scheme in its books at the same book values as appearing in the books of the Demerged Company.
- 12.2 The Resulting Company shall credit its Share Capital Account with the aggregate value of the new equity shares issued by it to the members of the Demerged Company pursuant to Clause 10.1 of this Scheme.

- 12.3 On recording the transfer of the assets and the liabilities as aforesaid pursuant to the Scheme, the Resulting Company shall make necessary adjustments such that all the assets and liabilities acquired (including assets and liabilities not specifically recognized by the Demerged Company in its financial statements), as well as shares issued and the resultant goodwill / capital reserve arising on demerger are reflected at their acquisition date at fair values as required for compliance with the mandatory Indian Accounting Standards, specifically, Ind AS 103 'Business Combinations', notified under Section 133 of the Act, read with the rules made there under and other Generally Accepted Accounting Principles. Further, acquisition related costs will also be accounted in accordance with the requirements of Ind AS 103 'Business Combinations'.

PART – F
GENERAL TERMS AND CONDITIONS

13. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 13.1 The Demerged Company and the Resulting Company (by their Board of Directors or such other person or persons, as the Board of Directors may authorise) are empowered and authorised:
- i. to assent from time to time to any modifications or amendments or substitutions of this Scheme or of any conditions or limitations which the Tribunal or any authorities under law may deem fit to approve or direct or as may be deemed expedient or necessary; and
 - ii. to settle all doubts or difficulties that may arise in carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary, desirable or proper for putting this Scheme into effect.

14. CONDITIONALITY OF THE SCHEME ON APPROVALS/SANCTIONS

This Scheme is conditional upon and subject to:-

- 14.1 The approval of the Scheme by the requisite majority of the respective members and such class of persons of Demerged Company and Resulting Company, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Tribunal in this respect;

- 14.2 In addition to the requirement stipulated under Clause 14.1 of this Scheme, in case of the Demerged Company, the requisite resolution with respect to this Scheme, shall be passed through e-voting and / or other mode as may be required under any applicable law and the SEBI circular., after disclosure of all material facts in the explanatory statement (including the applicable information pertaining to the Resulting Company in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations) or notice or proposal accompanying resolution to be passed sent to the shareholders. While seeking approval of the scheme whereby the votes cast by the public shareholders of Demerged Company in favour of the proposal relating to the Scheme are more than the number of votes cast by the public shareholders of Demerged Company against it as per the requirement under the SEBI Circulars i.e. *The scheme is conditional upon scheme being approved by the PUBLIC shareholders through e-voting in terms of Part – I (A)(10) (b) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and the Scheme shall be acted upon only if voted cast by the public shareholders of Demerged Company in favour of the proposal are more than the number of votes cast by the public shareholders of Demerged Company against it.*
- 14.3 The sanction by the Tribunal under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Act being obtained by the Demerged Company and the Resulting Company.
- 14.4 The filing of certified copies of Orders under Sections 230 to 232 of the Act and other applicable provisions of the Act passed by the Hon'ble Tribunal by the Demerged Company and the Resulting Company, with the Registrar of Companies, Tamil Nadu, Chennai.
- 14.5 Approval of the Government of India and/ or Reserve Bank of India and/ or Securities and Exchange Board of India, if required and the observation of the BSE Limited where such observation is necessary.
- 14.6 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

- 14.7 Accordingly, this Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the last of the dates on which all the conditions referred to above have been fulfilled.
- 14.8 The Scheme of Arrangement shall take effect from the Appointed Date in the sequential and consequential manner as provided below:
- a) Reorganization of Equity Share Capital of the Demerged Company as provided under PART-C of the Scheme;
 - b) The Demerger, Transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company as provided in PART-B of the Scheme;
 - c) Issuance of the Shares by the Resulting Company as provided in PART-D of the Scheme;

15. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, levies, fees, stamp duties (as applicable under law) and expenses in relation to or in connection with the transfer and vesting of Demerged undertaking pursuant to this Scheme whether such costs are incurred prior to or after the Effective Date, shall be borne and paid by the Demerged Company and Resulting Company equally.

16. CONDUCT OF BUSINESS TILL EFFECTIVE DATE:

With effect from the Appointed Date and upto and including the Effective Date:

- 16.1 The Demerged Company shall carry on and be deemed to have carried on its business and activities relating to the Demerged Undertaking in the ordinary course of business for and on account of and in trust for the Resulting Company, and shall hold and possess all the assets of the Demerged Undertaking for and on account of and in trust for the Resulting Company. The Demerged Company shall hold the assets of the Demerged Undertaking with utmost prudence until the Effective Date.
- 16.2 Any income or profit accruing or arising to the Demerged Company and all costs, charges, expenses, tax payments, tax credits, input credit, tax benefit and losses arising or incurred by the Demerged Company relating to the Demerged Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses, tax payments, tax

credits, input credit, tax benefit and losses as the case may be, of the Resulting Company.

- 16.3 The Demerged Company shall carry on its business activities relating to the Demerged Undertaking with reasonable diligence and business prudence. The Demerged Company shall not undertake any additional financial commitments, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries, or third parties sale, transfer, alternate, charge, mortgage or encumber or deal with the Demerged Undertakings or any part thereof, except with the written consent of the Resulting Company.
- 16.4 The Demerged Company shall not, utilize the profits relating to the Demerged Undertaking for the period falling on or after the Appointed Date for the payment of Dividend.

17. RIGHTS AND OBLIGATIONS OF THE DEMERGED COMPANY AND THE RESULTING COMPANY:

- 17.1 With effect from the Effective Date, the Demerged Company and the Resulting Company shall co-operate with and assist each other and formalise arrangements for making available to and from each other, in a proper and timely manner, materials, utilities (without requiring any approval whatsoever), and services as may be required for the smooth and proper functioning of the Demerged Undertaking. These arrangements may also extend to lease/use of factory buildings if required, and sheds, availment of storage space, contract jobs, canteen and other facilities, amenities and/or other services that may need to be shared.
- 17.2 Even after the Effective Date, the Resulting Company shall be entitled to realize all money and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking in the name of the Demerged Company in so far as may be necessary until the transfer of rights and obligation of the Demerged Company to the Resulting Company.

18. REMAINING UNDERTAKING:

- 18.1 The 'Remaining Undertaking' and all the assets, liabilities and obligations pertaining thereto including without limitation to the immovable properties belonging to the Remaining Undertaking, shall continue to belong to and be vested in and be managed by the Demerged Company.
- 18.2 With effect from the Appointed Date, all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be of the Demerged Company.
- 18.3 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Demerged Company under any statute, whether pending on the Appointed date or which may be instituted at any time thereafter, and in each case, relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company) shall be continued and continue to be enforced by or against the Demerged Company after the Effective Date, the Resulting Company shall not in any event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company, which relate to the Remaining Undertaking.
- 18.4 If any proceedings are made against the Resulting Company in respect of the outstanding matters referred to in Clause 18.3 above, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company. In the event that the Resulting Company were to incur any costs in this regard, the Demerged Company shall reimburse the same and indemnify the Resulting Company against all liabilities and obligations incurred by Resulting Company in respect thereof.

19. REVOCATION OF THE SCHEME

- 19.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause 14 above not being obtained and/or the Scheme not being sanctioned by applicable Adjudicating Body and/or the Order(s)

not being passed as aforesaid within 3 years from the date of filing of the Company Application with the relevant Adjudicating Body, or within such further period(s) as may be agreed upon from time to time between the Demerged Company and the Resulting Company (through their respective Board of Directors), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between the Demerged Company and the Resulting Company, or their respective shareholders or employees or any other persons, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme and or otherwise arise as per law. For the purpose of giving full effect to this Scheme, the respective Board of Directors of the Demerged Company and the Resulting Company, are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by their respective delegates.

- 19.2. The Board of Directors of the Demerged Company and the Resulting Company, shall be entitled to withdraw, revoke, cancel and declare the Scheme having no effect if such Boards of Directors of the Demerged Company and the Resulting Company are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up/ certified/ authenticated orders with any authority could have adverse implication on both/ any of the companies or in case any condition or alteration imposed by the relevant Adjudicating Body or any other authority is not on terms acceptable to them.
- 19.3 If any part of this Scheme hereof is invalid, ruled illegal by any court of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

20. GENERAL TERMS & CONDITIONS

- 20.1 The Demerged Company and the Resulting Company shall be at liberty to withdraw from this Scheme through its Board of Directors in case any condition or alteration imposed by any of the Tribunal or any other authority is unacceptable to them or.
- 20.2 Without prejudice to the provisions of the foregoing clauses and upon this Scheme becoming effective, the Demerged Company and Resulting Company shall execute such instruments or documents or do all such acts and deeds as may be required to give full effect for the transfer of the Demerged Undertaking to Resulting Company.
- 20.3 Any issue as to whether any asset or liability pertains to the Demerged Undertaking or not shall be decided by the Board of Directors of the Demerged Company and the Resulting Company either by themselves or through a Committee appointed by them in this behalf on the basis of evidence they may deem relevant (including the books and records of the Demerged Company).
- 20.4 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights or liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.
- 20.5 Upon the Scheme coming into effect, all Taxes, Cess / duties payable by or on behalf of the Demerged Undertaking of the Demerged Company from the Appointed Date onwards including all or any refunds, rebates and claims, including refunds, rebates or claims pending with the Revenue Authorities, shall for all purposes, be treated as the Tax / Cess / duty liabilities or refunds rebates and claims of the Resulting Company. Upon the Scheme becoming effective, both the Demerged Company and the Resulting Company are, expressly permitted to make / revise, wherever necessary, their returns including but not limited to Income Tax returns, GST returns, TDS Certificates and other tax returns including any State / Central taxes / duties and shall be entitled to claim refunds / rebates / credits, pursuant to the provisions of this Scheme
- 20.6 For the purpose of giving effect to the vesting order passed under Sections 230 and 232 of the Act in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the record of the change in the title and

appurtenant legal right(s) upon the vesting of such assets of the Demerged Undertaking of the Demerged Company in the Resulting Company in accordance with the provisions of Sections 230 and 232 of the Act and the Demerged Company shall assist / co-operate pursuant to the vesting orders of the Court. Upon the Scheme becoming effective and with effect from the Appointed Date, the filing of certified copies of the order of the Court sanctioning this Scheme shall constitute a creation / modification of charge in the name of the Resulting Company in accordance with the provisions of Section 79 of the Act and satisfaction of charge in respect of the Demerged Company in accordance with Section 82 of the Act, if there are any existing charges attaching to the said business.

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DETAILS OF SCHEDULE

Schedule No.	Details of Schedule	Referred in
Schedule I	Details of Immovable Properties of the Demerged Undertaking to be Transferred by the Demerged company to the Resulting Company.	para 1.7-i
Schedule II	Details of Movable Properties of the Demerged Undertaking to be Transferred by the Demerged Company to the Resulting Company.	para 1.7-ii
Schedule III	Details of Secured Borrowings pertains to Demerged Undertaking and details of security for those borrowing on Demerger.	para 1.7-iii
Schedule IV	Details of Deposit from Consignment Agent which is classified under unsecured borrowing to be transferred by the Demerged Company to the Resulting Company.	para 1.7-iii
Schedule V	Details of Financial Assets and Security Deposit relating to the Demerged Undertaking to be transferred by the Demerged Company to the Resulting Company on Demerger.	para 1.7-iii
Schedule VI	Details of Licenses / Permissions / consents from Government / Statutory / Quasi Government Authorities relating to the Demerged Undertaking to be transferred by the Demerged Company to the Resulting Company on Demerger.	para 1.7-iv
Schedule VII	Details of carried over loss under the Income Tax Act, and Tax Credit for Minimum Alternate Tax already paid that will be available for Resulting Company on Demerger.	para 1.7-v
Schedule VIII	Details of modifications required in the charges Registered with Registrar of Companies by the Demerged Company.	para 1.7-vi
Schedule IX	Details of cases relating to the Demerged Undertaking filed by Demerged Company to be continued in the name of Resulting Company on Demerger.	para 1.7-xii
Schedule X	Balance Sheet as on 31.03.2021	para 1.7-xiii

SCHEDULE – I

DETAILS OF IMMOVABLE PROPERTIES OF THE DEMERGED UNDERTAKING TO BE TRANSFERRED BY THE DEMERGED COMPANY TO THE RESULTING COMPANY.**1. SPINNING MILL**

- a) All those pieces and parcels of free hold lands admeasuring 43.23 Acres situated in the Village of Sevoor Raghunathapuram, Arni Taluk, Thirvannamalai District, Tamilnadu, comprised in the following Survey Numbers and respective area thereof within the Registration Sub-District Arni in the State of Tamilnadu, as given in Statement A below and SUPER STRUCTURE BUILT THEREON measuring about 2,44,331.80 Sq.ft as given in Statement B below:

Statement A: Details of Survey Numbers

S.No.	Description of Title Deeds	Survey No.	Land Extend Acres.Cent s	Remark
1	Purchased under document No.1637/64 dated.06.05.1964 from A. Sanjeevi Naidu in favour of Demerged Company	6/11	0.49	
2	Purchased under document No.2110/64 dated 31.05.1964 from A. Ramamurthy Naidu,G.Ramachandra Naidu & G. Govindasamy Naidu in favour of Demerged Company	6/8	1.59	
3	Purchased under document No.2110/64 dated 31.05.1964 from A. Ramamurthy Naidu,G.Ramachandra Naidu & G. Govindasamy Naidu in favour of Demerged Company	47/2	2.52	
4	Purchased under document No.1788/64 dated 17.05.1964 from Hamsavalli in favour of Demerged Company	6/3	0.30	
5	Purchased under document No.1580/64 dated 04.05.1964 from V. Raju Chettiar in favour of Demerged Company	8/4	0.98	
6	Purchased under document No.1578/64 dated 04.05.1964 from K.M. Arumugam Chettiar & K.M. Natarajan Chettiar in favour of Demerged Company	8/1	0.75	
7	Purchased under document No.1578/64 dated 04.05.1964 from K.M. Arumugam Chettiar & K.M. Natarajan Chettiar in favour of	8/10	0.52	

	Demerged Company			
8	Purchased under document No.1602/64 dated 05.05.1964 from Smt.Ethirajammal & Smt. Jagadambal in favour of Demerged Company	8/9	0.42	
9	Purchased under document No.1636/64 dated 06.05.1964 from S. Rajamanicka Chettiar in favour of Demerged Company	5/2	0.80	
10	Purchased under document No.1636/64 dated 06.05.1964 from S. Rajamanicka Chettiar in favour of Demerged Company	6/4	1.16	
11	Purchased under document No.3052/64 dated 19.08.1964 Deed of Exchange with Sri.Venugopalaswamy Bajanaikoodam dated 19.08.64 executed by N. Annamalai Chettiar, A. Annamalai Chettiar, R. Somasundara Chettiar, S. Elumalai Chettiar (Trustees) in favour of Demerged Company	6/10	2.20	
12	Purchased under document No.1603/64 dated 05.05.1964 from Smt. Pownammal in favour of Demerged Company	6/6	0.38	
13	Purchased under document No.1603/64 dated 05.05.1964 from Smt. Pownammal in favour of Demerged Company	6/7	0.37	

ANNEXURES

S.No.	Description of Title Deeds	Survey No.	Land Extend Acres.Cent s	Remark
14	Purchased under document No.1604/64 dated 05.05.1964 executed by A. Gopal Pillai in favour of Demerged Company	47/3	1.68	
15	Purchased under document No.1605/64 dated 05.05.1964 from A. Veerasamy Maistry in favour of Demerged Company	10/1	0.99	
16	Purchased under document No.1605/64 dated 05.05.1964 from A. Veerasamy Maistry in favour of Demerged Company	10/9	0.40	
17	Purchased under document No.1655/64 dated 07.05.1964 from Thambu Naidue & Govinda Naidu in favour of Demerged Company	9/3	1.95	
18	Purchased under document No.1655/64 dated 07.05.1964 from Thambu Naidue & Govinda Naidu in favour of Demerged Company	10/5	0.84	
19	Purchased under document No.1655/64 dated 07.05.1964 from Thambu Naidue & Govinda Naidu in favour of Demerged Company	48/1A	2.45	
20	Purchased under document No.1654/64 dated 07.05.1964 from N. Balasubramaniya Chetty in favour of Demerged Company	5/3	1.03	
21	Purchased under document No.1653/64 dated 07.05.1964 from A. Govinda Naidu in favour of Demerged Company	5/4	3.50	
22	Purchased under document No.1653/64 dated 07.05.1964 from A. Govinda Naidu in favour of Demerged Company	6/12	0.88	

S.No.	Description of Title Deeds	Survey No.	Land Extend Acres.Cent s	Remark
23	Purchased under document No.1676/64 dated 07.05.1964 from A. Balasubramania Chetty & A. Dharmalinga Chetty in favour of Demerged Company	6/5	0.72	
24	Purchased under document No.1789/64 dated 17.05.1964 from Rukku ammal & Muni Rathinam in favour of Demerged Company	9/1A	2.83	
25	Purchased under document No.1693/64 dated 11.05.1964 from G. Mannu Naidu in favour of Demerged Company	9/2	0.90	
26	Purchased under document No.1611/64 dated 05.05.1964 from V. Sambasivam in favour of Demerged Company	10/2	0.64	
27	Purchased under document No.1579/64 dated 04.05.1964 from Sivalinga Chettiar in favour of Demerged Company	8/2	1.12	
28	Purchased under document No.501/94 dated 03.02.1964 from Kannammal in favour of Demerged Company	9/1B	1.40	
29	Purchased under document No.1788/64 dated 17.05.1964 from Hamsavalli in favour of Demerged Company	8/7	0.86	Out of total extent of 0.88 acres, in same survey number or in the same purchased deed.
30	Purchased under document No.1581/64 dated 04.05.1964 from S. Dhanapal Chettiar, D. Jambulingam Chettiar & D. Annamalai Chettiar in favour of Demerged Company	7/3	0.31	Out of total extent of 0.43 acres, in same survey number or in the same purchased deed

ANNEXURES

S.No.	Description of Title Deeds	Survey No.	Land Extend Acres.Cent s	Remark
31	Purchased under document No.1672/64 dated 07.05.1964 from Smt.Neelaveni ammal in favour of Demerged Company & 1602/64 dated 05.05.1964 from Smt.Ethirajammal & Smt. Jagadambal in favour of Demerged Company	7/2	0.26	Out of total extent of 2.50 acres, in same survey number or in the same purchased deed
32	Purchased under document No.1636/64 dated 06.05.1964 from S. Rajamanicka Chettiar in favour of Demerged Company	5/1	0.83	Out of total extent of 1.10 acres, in same survey number or in the same purchased deed
33	Purchased under document No.1636/64 dated 06.05.1964 from S. Rajamanicka Chettiar in favour of Demerged Company	6/1	0.32	Out of total extent of 1.15 acres, in same survey number or in the same purchased deed
34	Purchased under document No.1671/64 dated 07.05.1964 from K.J.Subramaniam Chettiar in favour of Demerged Company	8/5	0.80	Out of total extent of 0.85 acres, in same survey number or in the same purchased deed
35	Purchased under document No.1635/64 dated 06.05.1964 from A. Annamalai Chettiar in favour of Demerged Company	7/8	0.42	Out of total extent of 1.28 acres, in same survey number or in the same purchased deed
36	Purchased under document No.1624/64 dated 04.05.1964 from K. Annamalai Maistry in favour of Demerged Company	8/3	1.42	Out of total extent of 1.45 acres, in same survey number or in the same purchased deed
37	Purchased under document No.1623/64 dated 06.05.1964 from C. Ramasamy Gounder in favour of Demerged Company	4/1	0.73	Out of total extent of 0.965 acres, in same survey number or in the same purchased deed
38	Purchased under document No.1622/64 dated 06.05.1964 from T. Murugesu Gounder in favour of Demerged Company	4/1	0.73	Out of total extent of 0.965 acres, in same survey number or in the same purchased deed

S.No.	Description of Title Deeds	Survey No.	Land Extend	Remark
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			Acres.Cent s	
39	Purchased under document No.1606/64 dated 05.05.1964 from A. Balasundara Chettiar in favour of Demerged Company	6/2	0.06	Out of total extent of 0.23 acres, in same survey number or in the same purchased deed
40	Purchased under document No.1606/64 dated 05.05.1964 from A. Balasundara Chettiar in favour of Demerged Company	8/6	0.72	Out of total extent of 0.78 acres, in same survey number or in the same purchased deed
41	Purchased under document No.809/92 dated 12.03.1992 from Prushothaman & others in favour of Demerged Company	4/2	0.78	Out of total extent of 3.56 acres, in same survey number or in the same purchased deed
42	Purchased under document No.2029/98 executed by B. Jagadeesan (Gardian of minors J.Balamurugan,J.Anbalagan,,J.Parthiban,J.Lokeswari), J.Dandapani, in favour of Company	49/4 (228/4)	0.07	Out of total extent of 0.77 acres, in same survey number or in the same purchased deed
43	Vide Patta No. 1045 Sevoor, Arni	6/6	0.09	
44	Vide Patta No. 1045 Sevoor, Arni	7/7	0.15	Out of total extent of 0.24 acres, in same patta.
45	Vide Patta No. 1045 Sevoor, Arni	8/8	0.10	
46	Vide Patta No. 1045 Sevoor, Arni	10/10	0.35	
47	Vide Patta No. 1045 Sevoor, Arni	47/1	0.32	
48	Vide Patta No. 1045 Sevoor, Arni	47/4	0.11	
	GRAND TOTAL :		43.23	

Statement B: Details of Super Structure Building:

S.No.	Name of the Department	Details of Building	Area in Sq.ft
1.	Aero Feed Blow Room;Card and Simplex	Factory Building with 18090.6 sq.ft. thick Brick wall, A.C. and with false ceiling roof and cement flooring	18090.6
2.	OE Blow Room;PV Blow Room ,Card and Simplex Preparatory Department	Factory Building with 30552.3 sq.ft. thick Brick wall, A.C. and with false ceiling roof and cement flooring	30552.3
3.	Spinning A shed	Factory Building with 15683.8 sq.ft. thick Brick wall, A.C. and with false ceiling roof and cement flooring	15683.8
4.	Spinning LR, G5 & Dyed Preparatory	Factory Building with 19617.0 sq.ft. thick Brick wall, A.C. and with false ceiling roof and cement flooring	19617.0
5.	Dyed Spinning & TFO	Factory Building with 16865.5 sq.ft. thick Brick wall, A.C. and with false ceiling roof and cement flooring	16865.5
6.	Auto coner Department	Factory Building with 20437.3 sq.ft. thick Brick wall, A.C. and with false ceiling roof and cement flooring	20437.3
7.	Packing Hall	Factory Building with 10717.4 sq.ft. thick Brick wall, A.C. roof and cement flooring	10717.4
8.	New Packing Hall	Factory Building with 28794.5 sq.ft. thick Brick wall, A.C. roof and cement flooring	28794.5
9	Humidification Plant for New Packing Hall	Factory Building with 2664.1 sq.ft. thick Brick wall, R.C.C. and cement flooring	2664.1
10	Raw Material Godown	Factory Building with 11116.44 sq.ft. thick Brick wall, A.C. roof and cement flooring	11116.44
11	Stores, QC, Power House & Admin Office Building	Factory Building with 13990.6 sq.ft. thick Brick wall, R.C.C. and with false ceiling roof and cement flooring	13990.6

S.No.	Name of the Department	Details of Building	Area in Sq.ft
12	Labour Rest Room (Female)	Factory Building with 2175.5 sq.ft. thick Brick wall, A.C. roof and cement flooring	2175.5
13	Genset Room – 64 KVA & Work shop	Factory Building with 3611.6 sq.ft. thick Brick wall, A.C. roof and cement flooring	3611.6
14	Genset Room – 1000 KVA	Factory Building with 2770.3 sq.ft. thick Brick wall, A.C. roof and cement flooring	2770.3
15	Labour Rest Room (Male)	Factory Building with 2972.7 sq.ft. thick Brick wall, A.C. roof and cement flooring	2972.7
16	Power Plant	Factory Building with 8333.1 sq.ft. thick Brick wall, R.C.C. and cement flooring	8333.1
17	Sump Room	Factory Building with 2070.3 sq.ft. thick Brick wall, R.C.C and cement flooring	2070.3
18	Motor Room	Factory Building with 103.7 sq.ft. Brick wall, R.C.C. and cement flooring	103.7
19	Garden House	Factory Building with 401.1 sq.ft. Brick wall, A.C. roof and cement flooring	401.1
20	Cow Shed - 1	Factory Building with 326.6 sq.ft. Brick wall, A.C. and with false ceiling roof and cement flooring	326.6
21	Cow Shed - 2	Factory Building with 208.1 sq.ft. Brick wall, A.C. and with false ceiling roof and cement flooring	208.1
22	Labour Quarter – 1A	Factory Building with 3723.6 sq.ft. Brick wall, A.C. and with cement flooring	3723.6
23	Labour Quarter – 1B	Factory Building with 5196.6 sq.ft. Brick wall, A.C. and with cement flooring	5196.6
24	Labour Quarter – 2A	Factory Building with 3721.7 sq.ft. Brick wall, A.C. and with cement flooring	3721.7
25	Labour Quarter – 2B	Factory Building with 5215.4 sq.ft. Brick wall, A.C. roof and with cement flooring	5215.4
26	Labour Quarter – 3A	Factory Building with 2615.9 sq.ft. Brick wall, A.C. roof and cement flooring	2615.9
27	Labour Quarter – 3B	Factory Building with 2693.1 sq.ft. Brick wall, A.C. roof and cement flooring	2693.1

S.No.	Name of the Department	Details of Building	Area in Sq.ft
28	Canteen	Factory Building with 2947.2 sq.ft. thick Brick wall, R.C.C roof and cement flooring	2947.2
29	Canteen - Extension	Factory Building with 810.3 sq.ft. thick Brick wall, R.C.C. roof and cement flooring	810.3
30	Temple - A	Factory Building with 32.6 sq.ft. Brick wall, A.C.roof and cement flooring	32.6
31	Temple - B	Factory Building with 102.4 sq.ft. Brick wall, A.C.roof and with false ceiling roof and cement flooring	102.4
32	Temple - C	Factory Building with 34.7 sq.ft. Brick wall, A.C. roof and cement flooring	34.7
33	Temple - D	Factory Building with 227.0 sq.ft. Brick wall, A.C.roof and cement flooring	227.0
34	Temple - E	Factory Building with 635.9 sq.ft. Brick wall, A.C. roof and cement flooring	635.9
35	Humidification Plant – LR Spinning	Factory Building with 1064.9 sq.ft. thick Brick wall, R.C.C. and cement flooring	1064.9
36	HF Plant - Dyed Preparatory & TFO	Factory Building with 967.0 sq.ft. thick Brick wall, R.C.C. and cement flooring	967.0
37	HF Plant – Spg Blach shed	Factory Building with 235.0 sq.ft. thick Brick wall, R.C.C. and cement flooring	235.0
38	HF Plant – A/c , TFO	Factory Building with 1151.3 sq.ft. thick Brick wall, R.C.C. and cement flooring	1151.3
39	HF Plant – Cone Winding	Factory Building with 785.8 sq.ft. thick Brick wall, R.C.C. and cement flooring	785.8
40	MD Office	Factory Building with 668.9 sq.ft. thick Brick wall, R.C.C. and cement flooring	668.9
TOTAL			244331.8

2. WIND TURBINE GENERATOR ASSET

All those pieces and parcels of free hold lands admeasuring 2.00 Acres, purchased by the Demerged Company vide Document No.329/2005 dated 24th January 2005, situated in Udayathur Village, Valliyur Panchayat Union, Radhapuram Taluk, Thirunelveli District, falling under Radhapuram Sub-Registration District of Thirunelveli Registration District and SUPER STRUCTURE BUILT THEREON as detailed as below:

A. Details of Land

- a) Measuring Acres 0.295 (Hectors 0.12.0) in Survey No.950/1A bounded as follow:

On the North	S.F.No.950/1B
On the East	S.F.No.950/2
On the South	S.F.No.944 & 951
On the West	S.F.No.945

- b) Measuring Acres 1.155 (which is the portion out of the total extent of 3.00 acres and lies as shown in the attached FMB) in Survey No.950/1B bounded as follows:

On the North	S.F.No.950/1B Remaining Part
On the East	S.F.No.950/2 & 950/1B Remaining Part
On the South	S.F.No.950/1A & 950/2
On the West	S.F.No.945

- c) Measuring Acres 0.55 (which is the portion out of the total extent of 7.10 of the sub-division and lies as shown in the attached FMB) in Survey No.950/2 bounded by.

On the North	S.F.No.950/1B
On the East	S.F.No.950/2 Remaining Part
On the South	S.F.No.951
On the West	S.F.No.950/1A & 950/1B

The above site is described as location No.S666 by M/s.Suzlon, Global Services Ltd., the firm maintaining the Wind Turbine Generator.

3. REGISTERED OFFICE – CHENNAI PROPERTY

All those pieces and parcels of free hold land admeasuring 8,635.27 Square feet out of 17270.54 Square feet (“Entire Property”) comprised in Old Survey No.315 and New Survey No.429/4 in Nungambakkam, falling under the Registration Sub-District of T-Nagar and Registration District of South Madras, covered in Chennai Corporation bearing New Door No.16, Old No.17 Krishnama Road, Nungambakkam, Chennai – 600 034, (being a part of the land purchased under sale deed 1217 of 1978 dated 6th October 1978) bounded as below:

On the North	By part of Revised Survey No. 429
On the East	Jaganathan Street
On the South	Registered Office building of Demerged Company
On the West	Revised Survey No. 428 Comprising bungalow known as Dr.T S Thirumoorthy, Bangalow

and more fully stated in the sketch attached.

With the land measuring 8,635.27 square feet and 50% of **SUPER STRUCTURE of the building comprising about 8000 sq.ft. in Ground floor and 2,000 sq.ft. in first floor.**

3. AHMEDABAD PROPERTY

All those pieces and parcels of free hold land admeasuring 2125.02 Sq.yards (1776.79 Sq.meters), Village Indrad, Taluk Kadi, District Mehsana, Survey No. Old Survey No.821/2, New Survey No.446. bounded as below:

On the East	Nal Road connecting Kalol-Mehasana State Highway.
On the West	Private Plot No.2, in Survey No.821/2
On the North	Adjoining survey No.821/1
On the South	Internal approach road and thereafter adjoining Survey No.820.

* * * * *

SCHEDULE – II

DETAILS OF MOVABLE PROPERTIES OF THE DEMERGED UNDERTAKING TO BE TRANSFERRED BY THE DEMERGED COMPANY TO THE RESULTING COMPANY.

All plant and machines, electrical installation, maintenance and service equipments, office equipments, furniture and fixtures, miscellaneous assets and others, wherever located pertaining to Demerged Undertaking to be transferred by the Demerged Company to the Resulting Company the Cost and book value of which given as below:

I. PLANT & MACHINERY:

S.No.	Details								Cost Rs.	Book Value as on 31.03.2021 Rs.
	Details of Assets	Make	M/c.S.No.	Manuf.No.	Mill No.	Model No	Year	No.of M/c.		
1	BLOW ROOM									
	BLOW ROOM	LR	BR1	229		B2/2-MBO	1979	1	130720	100
	BLOW ROOM	LR	BR2	230		B2/2-MBO	1979	1	211244	25
	BLOW ROOM	LR	BR3	224		B2/2-MBO	1979	1	184211	25
	BLOW ROOM	LR	BR4	372		B2/2	1986	1	1132974	201
	BLOW ROOM	LR	BR5	465		B2/2	1989	1	1411785	70589
	UNIMIX 5/6 BLOW ROOM						1989/(2018)	1	177800	112624
		ACCESSORIES							2370149	414155
								6	5618883	597719
2	CARDING									
	CARDING	LR	CD1	34	3	C1/2	1978	1	236451	50
	CARDING	LR	CD2	45	8	C1/2	1978	1	236551	50
	CARDING O.E.	LR	CD3	38	OE2	C1/2	1978	1	236499	40
	CARDING	LR	CD4		OE15	C1/2	1978	1	236349	10
	CARDING	LR	CD5	57	1	C1/2	1980	1	287010	10
	CARDING	LR	CD6	129	2	C1/2	1980	1	287010	10
	CARDING	LR	CD7	366	6	C1/2	1981	1	363831	100
	CARDING	LR	CD8	1217	4	C1/2	1985	1	483206	48
	CARDING	LR	CD9	1293	5	C1/2	1985	1	483206	48
	CARDING	LR	CD10	1301	OE5	C1/2	1985	1	483206	48
	CARDING	LR	CD11	234	OE13	C1/2	1979	1	267957	6
	CARDING	LR	CD12	225	OE14	C1/2	1979	1	275540	6
	CARDING	LR	CD13	-	OE20	C1/2	1979	1	275540	6
	CARDING	LR	CD14	127	OE21	C1/2	1979	1	267957	6
	CARDING	LR	CD15	111	9	C1/2	1979	1	267957	6
	CARDING	LR	CD16	-	7	C1/2	1985	1	483206	48
	CARDING	LR	CD17	1731	OE1	C1/2	1985	1	483206	48
	CARDING	LR	CD18	156	10	C1/2	1979	1	267958	7
	CARDING	LR	CD19	-	OE18	C1/2	1986	1	549638	100
	CARDING	LR	CD20	757	OE3	C1/3	1988	1	690093	34505
	CARDING	LR	CD21	758	OE4	C1/3	1988	1	690093	34505
	CARDING	LR	CD22	2645	8	C1/3	1991	1	952841	47642
	CARDING	LR	CD23	2665	9	C1/3	1991	1	952841	47642
	CARDING	L.R	CD24	3464	OE2	C1/3	1993	1	1092879	54644
	CARDING	L.R	CD25	3429	OE11	C1/3	1993	1	1092829	54641

I. PLANT & MACHINERY Contd.....

ANNEXURES

S.No.	Details								Cost Rs.	Book Value as on 31.03.2021 Rs.
	Details of Assets	Make	M/c.S. No.	Manuf.No.	Mill No.	Model No	Year	No. of. M/c.		
	CARDING	L.R	CD26	-	1	LC100	1995/(2011)	1	712345	35617
	CARDING	L.R	CD27	71	5	LC100	1994/(2011)	1	609624	30481
	CARDING	L.R	CD28	604	2	LC100	1997/(2011)	1	609624	30481
	CARDING	L.R	CD29	943	3	LC100	1997/(2011)	1	609626	30481
	CARDING	L.R	CD30	112	4	LC100	1995/(2015)	1	493059	112072
	CARDING	L.R	CD31	858	6	LC100	1997/(2015)	1	423008	114338
	CARDING	L.R	CD32	857	7	LC100	1997/(2015)	1	423008	114338
	CARDING	L.R		1120		LC300A	2004/(2020)	1	604410	522017
	CARDING	L.R		141		LC300A	2000/(2020)	1	604410	522017
	CARDING USTER CARD CONTROL	L.R		5		LC300A	2000/(2020)	1	604410	522017
	CARDING	ACCESSORIES							613277	9793
									3404704	142386
								35	21655356	2460265
3	COMBER SLIVER LAP(Godown)	LR	SL1			E2/4A	1978	1	212361	20
	SLIVER LAP RIBBON LAP(Godown)	LR	SL2	647	1	E2/4A	1994	1	523409	26170
	RIBBON LAP(Godown)	LR	RL1			E4/1A	1978	1	225755	20
	RIBBON LAP	LR	RL2		1	E4/1A	1994	1	603149	30157
	COMBER	L.R.	CM1	268	13	E7/4	1978	1	341209	20
	COMBER	L.R.	CM2	271	12	E7/4	1978	1	344447	20
	COMBER	L.R.	CM3	-	11	E7/4	1978	1	344447	20
	COMBER	L.R.	CM4	303	9	E7/4	1979	1	420678	27
	COMBER	L.R.	CM5	334	8	E7/4	1979	1	420678	27
	COMBER(Godown)	LR	CM6			E7/4	1978	1	354540	20
	COMBER	L.R.	CM7	1826	10	E7/4	1990	1	939935	46997
	COMBER	LR	CM8	3000	4	E7/4	1994	1	1144310	57215
	COMBER	LR	CM9	3014	5	E7/4	1994	1	1145447	57272
	COMBER	LR	CM10	3019	6	E7/4	1994	1	1145272	57264
	COMBER	LR	CM11	3079	3	E7/4	1994	1	1145273	57264
	COMBER	LR	CM12	3084	2	E7/4	1994	1	1144310	57215
	COMBER	LR	CM13	3200	1	E7/4	1995	1	1138014	56901
	COMBER	ACCESSORIES							35040	1752
								17	11628273	448380

4	DRAWING									
	DRAWING	LR	DR1	1581	11	DO/2S	1974	1	127885	20
	DRAWING	LR	DR2	3282	10	DO/2S	1980	1	276592	25
	DRAWING	LR	DR3	4860	1	DO/2S	1985	1	195750	125
	DRAWING	LR	DR4	4859	7	DO/2S	1985	1	195750	125
	DRAWING	RIETER	RSB1	310	1	RSB 851	1993	1	2145355	107268
	DRAWING	RIETER	RSB2	610	5	RSB 851	1993	1	2032811	101641
	DRAWING	RIETER	RSB3	851	3	RSB 851	1993	1	2032811	101641
	DRAWING	RIETER	RSB4	270	4	RSB 851	1994	1	2263383	113169
	DRAWING	RIETER	RSB5	290/2	2	RSB 851	1994	1	2263383	113169
	DRAWING	LR	DR5	734	1	DO/6	1992	1	582114	29106
	DRAWING	LR	DR6	751	2	DO/6	1992	1	581914	29096
	DRAWING	LR	DR7	772	3	DO/6	1992	1	584728	29236
	DRAWING	RIETER	RSB6	471	7	RSB D45	2016	1	3003083	1398327
	DRAWING	RIETER ACCESSO RIES	RSB7	472	-	RSB D45	2016	1	3003083	1398327
									935442	38278
									14	20224081

I. PLANT & MACHINERY Contd.....

S.No.	Details								Cost Rs.	Book Value as on 31.03.2021 Rs.
	Details of Assets	Make	M/c.S.No.	Manuf.No.	Mill No.	Model No	Year	No.of. M/c.		
5	SIMPLEX									
	SIMPLEX	LR	SX1	380	8	GS	1971	1	271901	100
	SIMPLEX	LR	SX2	1298	11	GS	1979	1	306814	100
	SIMPLEX	LR	SX3	1245	4	GS	1979	1	317500	25
	SIMPLEX	LR	SX4	1468	3	GS	1980	1	391488	25
	SIMPLEX	LR	SX5	1439	2	GS	1980	1	382297	25
	SIMPLEX	LR	SX6	1401	1	GS LF	1980	1	426693	25
	SIMPLEX	LR	SX7	602	10	1400 LF	1985	1	627975	25
	SIMPLEX	LR	SX8	1756	9	1400 LF	1991	1	1147307	57365
	SIMPLEX	LR	SX9	2591	7	1400A LF	1993	1	1316220	65811
	SIMPLEX	L.R	SX10	54	5	1465 LF	1997	1	1738122	86906
	SIMPLEX	L.R	SX11	17	6	1465 LF	1997	1	1729380	86469
								11	8655697	296876
6	SPINNING									
	SPINNING	LR	RM1	-	4	DJ5	1973	1	79195	10
	SPINNING	LR	RM2		6	DJ5	1973	1	79195	10
	SPINNING	LR	RM3		8	DJ5	1973	1	79195	10
	SPINNING	LR	RM4	3541	1	DJ5	1979	1	220425	7
	SPINNING	LR	RM5	3700	2	DJ5	1979	1	220425	7
	SPINNING	LR	RM6	3542	3	DJ5	1979	1	220425	7
	SPINNING	LR	RM7	3614	5	DJ5	1979	1	220425	7
	SPINNING	LR	RM8	3543	7	DJ5	1979	1	220425	7
	SPINNING	LR	RM9	3615	9	DJ5	1979	1	220425	7
	SPINNING	LR	RM10	3675	13	DJ5	1979	1	220425	7
	SPINNING	LR	RM11	3701	15	DJ5	1979	1	220425	7
	SPINNING	LR	RM12		10	DJ5	1979	1	220425	7
	SPINNING	LR	RM13		11	DJ5	1979	1	220425	7
	SPINNING	LR	RM14		12	DJ5	1979	1	220425	7
	SPINNING	LR	RM15		14	DJ5	1979	1	220425	7
SPINNING	LR	RM16		16	DJ5	1979	1	220425	7	

ANNEXURES

SPINNING	LR	RM17	4294	18	DJ5	1980	1	282271	9
SPINNING	LR	RM18	4154	19	DJ5	1980	1	282271	9
SPINNING	LR	RM19	4156	20	DJ5	1980	1	282271	9
SPINNING	LR	RM20		17	DJ5	1980	1	282271	9
SPINNING	LR	RM21		21	DJ5	1980	1	282271	9
SPINNING	LR	RM22		33	DJ5	1980	1	282271	9
SPINNING	LR	RM23	4401	25	DJ5	1981	1	282271	9
SPINNING	LR	RM24	4418	35	DJ5	1981	1	282271	9
SPINNING	LR	RM25	4302	37	DJ5	1981	1	282271	9
SPINNING	LR	RM26		36	DJ5	1981	1	282271	9
SPINNING	LR	RM27	6279	26	DJ5	1984	1	267020	14
SPINNING	LR	RM28	6268	32	DJ5	1984	1	267020	14
SPINNING	LR	RM29		27	DJ5	1984	1	267020	14
SPINNING	LR	RM30		29	DJ5	1984	1	267020	14
SPINNING	LR	RM31		30	DJ5	1984	1	267020	14
SPINNING	LR	RM32		31	DJ5	1984	1	267020	14
SPINNING	LR	RM33		34	DJ5	1984	1	267020	14
SPINNING	LR	RM34	7466	22	DJ5	1986	1	0	0
SPINNING	LR	RM35	7467	24	DJ5	1986	1	0	0
SPINNING	LR	RM36	7536	38	DJ5	1986	1	0	0
SPINNING	LR	RM37		23	DJ5	1986	1	0	0
SPINNING	LR	RM38		39	DJ5	1986	1	0	0
SPINNING	LR	RM39	7925	28	DJ5	1988	1	432672	21633
SPINNING	LR	RM40		40	DJ5	(2012)	1	237250	11862

S.No.	Details								Cost Rs.	Book Value as on 31.03.2021 Rs.
	Details of Assets	Make	M/c.S .No.	Manuf.No.	Mill No.	Model No	Year	No.of M/c.		
	SPINNING	LR	RM41	1358	1	LR6/S	2001	1	2064502	103225
	SPINNING	LR	RM42	1395	2	LR6/S	2001	1	2066214	103311
	SPINNING	LR	RM43	1470	3	LR6/S	2001	1	2061328	103067
	SPINNING	LR	RM44	2883	4	LR6/S	2003	1	2251118	112556
	SPINNING	LR	RM45	2889	5	LR6/S	2003	1	2247795	112390
	SPINNING	LR	RM46	5926	6	LR6/S	2005	1	2707405	135370
	SPINNING	LR	RM47	6093	7	LR6/S	2005	1	2704978	135249
	SPINNING	LR	RM48	6271	8	LR6/S	2005	1	2706143	135307
	SPINNING	LR	RM49	180196	9	LR6/S	2007	1	2734206	136708
	SPINNING	LR	RM53	3055	9	LR6/S	2003	1	1100299	942284
	SPINNING	LR	RM54	2921	9	LR6/S	2003	1	1128978	966844
	SPINNING	LR	RM55	2782	9	LR6/S	2003	1	1087256	945836
	SPINNING	LR	RM56	2661	9	LR6/S	2003	1	1264304	1099855
	SPINNING	LR	RM50	9573	1	960spl G5/1-	1998(2010)	1	1473265	73663
	SPINNING	LR	RM51	9319	2	960spl G5/1-	1998(2011)	1	1551938	77596
	SPINNING SPINNING(Comp act)	LR Dhansu	RM52	9634	3	960spl	1998(2011)	1	1692075	84604
	SPINNING(Comp act)	Dhansu				Statax	2015	1	1534627	472342
	SPINNING(Comp act)	Dhansu				Statax	2016	1	1491092	592847
	SPINNING(Comp act)	Dhansu				Suzan	2017	1	567837	273071
	SPINNING					144 spls	2015		188900	43593
	SPINNING	ACCES SORIES							2384495	95362
								56	45473638	6778889
8	AUTO CONER	Schlafh								
	AUTOCONER	orst	AC1	146-0990-2620	8	238	1990	1	7069370	353468
	AUTOCONER	Schlafh	AC2	146-0392-3496	7	238	1992	1	10013656	500683

	AUTO CONER	orst Schlafh	AC3	146-0194-4094	3	238	1994	1	10255391	512770
	AUTO CONER	orst Schlafh	AC4	148-0697-0193	2	338	1998	1	10439654	521982
	AUTO CONER	orst Schlafh	AC5	148-0605-6006	4	338	2005	1	11538734	576937
	AUTO CONER	orst Schlafh	AC6	148-0605-6007	5	338	2005	1	11538734	576937
	AUTO CONER	orst Schlafh	AC7	148-0605-6008	6	338	2005	1	11538734	576936
	AUTO CONER	orst Schlafh	AC9	149-0108-9760	1	AC5	2007	1	13404535	670226
	AUTO CONER	Muratec 7-V	AC10	98x366480-001	9	Murata7V	1999/(2013)	1	2879816	143991
	AUTO CONER	Muratec 7-V	AC11	99x317710-002	10	Murata7V	1999/(2015)	1	2572788	720432
	AUTO CONER	Schlafh orst	AC8	2018(2005/148- 0605-6032)	11	AC338	2005/(2018)	1	4397650	2858909
	AUTO CONER	Schlafh orst	AC5	2018(2005/148- 0605-6032)	12	AC5	2007/(2021)	1	6386467	6344346
	AUTO CONER	ACCES SORIES						12	1067005 103102534	99633 14457249
9	CONE WINDING									
	CONE WINDING	TEXTO OL	CW1	378	1	RT 95	1990	1	415742	20787
	CONE WINDING	TEXTO OL	CW2	327	3	RT 95	1990	1	416904	20845
	CONE WINDING	TEXTO OL	CW3	353	4	RT 95	1990	1	416954	20848
	CONE WINDING	TEXTO OL	CW4	233	2	RT 95	1989	1	436245	21812
	CONE WINDING	ACCES SORIES						4	766266 2452111	37792 122084
10	DOUBLER WINDER(CHEESE WINDER)									
	CHEESE WINDING	TEXTO OL	CH1	818	2	DRT 80	1989	1	436340	21817
	CHEESE WINDING	TEXTO OL	CH2	1216	1	DRT 80	1996	1	507796	25390
								2	944136	47207

ANNEXURES

S.No.	Details								Cost Rs.	Book Value as on 31.03.2021 Rs.
	Details of Assets	Make	M/c.S.No.	Manuf.No.	Mill No.	Model No	Year	No.of. M/c.		
11	TWO FOR ONE TWISTER: T.F.O. T.F.O.(Godown) T.F.O. T.F.O. T.F.O. T.F.O. T.F.O. T.F.O. T.F.O. T.F.O. T.F.O. T.F.O. T.F.O. T.F.O.	VJ-LAKSH VJ-LAKSH VJ-LAKSH VJ-LAKSH VJ-LAKSH VJ-LAKSH VJ-LAKSH VJ-LAKSH VJ-LAKSH VJ-LAKSH VJ-LAKSH VJ-LAKSH VJ-LAKSH VJ-LAKSH ACCESSORIES	TFO1 TFO2 TFO3 TFO4 TFO5 TFO6 TFO7 TFO8 TFO9 TFO10 TFO11	537 531 3366 3365 3354 3355 3865 3864 3895 3894 3825	8 5 11 12 14 13 1 2 3 4 10	VJ 150HS VJ 150HS VJ 160HS VJ 160HS VJ 160HS VJ 160HS VJ 150HS VJ 150HS VJ 150HS VJ 150HS VJ 150HS	1991 1991 2002 2002 2002 2002 2004 2004 2004 2004 2004	1 1 1 1 1 1 1 1 1 1 1	787552 787550 1542126 1541708 1553511 1558362 1471472 1473208 1474200 1469128 1468790 2320047 17447654	39378 39377 77105 77085 77676 77918 73573 73660 73710 73456 73439 116002 872379
12	YARN CONDITIONER YCP	SIEGER	YCP1	200	1	YCP 600	2005	1	1657452	82872
13	STRECH WRAPPING STRECH WRAPPING	ITW	SW1			FE-LP	2005	1	338262	16913
14	COTTON CONDOMINATION CLEANING MACHINE CCCM	VT	CC1			Vetal Scan	2005	1	1577436	78872
15	REELING FRAME REELING FRAME		R1		6				181796	9090
16	BALING PRESS BALING PRESS		BAP1					1	42062	2103
17	BUNDLING PRESS BUNDLING PRESS		BUP1					1	32579	1629
18	MASK MACHINE SUB TOTAL (PLANT & MACHINERY B' MILL) LABORATORY EQUIPMENTS:(B Mill)							1	4649375	425322 8
1	SPIN LAB 900	ZELLWEGAR	CTLM1				1993	1	3791343	189567
2	USTER TESTER 3	ZELLWEGAR	CTLM2				1993	1	3428958	171448
3	OTHER TESTING EQUIPMENTS:		CTLM3						526943	101578
4	CLASSIMAT - LAB	IMPORT	CTLM4				2006	1	2642435	132122
5	CONE WINDING-LAB						2006	1	208142	10407
	SUB TOTAL (CTL EQUIPMENTS)								10597821	605122

S.No.	Details								Cost Rs.	Book Value as on 31.03.2021 Rs.
	Details of Assets	Make	M/c.S.No.	Manuf.No.	Mill No.	Model No	Year	No.of M/c.		
	OTHER ASSETS (B' MILL)									
	AIR COMPRESSOR								3666639	1023046
	AIR DRIER								155500	7775
	FIRE EXTINGUISHER								143088	5357
	GRINDING ACCESS.								1197419	59871
	HUMIDIFICATION PT. DE-HUMIDIFICATION PLANT								7535169	1576975
	TRAVELLING CLEANER								76000	59308
	YARN SPICER								4029407	182866
	AUTO ACID TREATM								2109127	105454
	AUTO WASTE EVAC.								176556	8828
	BOX STRAPPG.M/C.								1350373	67518
	BROKEN END COLLECTORS								40159	2008
	CLEANING EQUIP.								268929	400
	COT MOUNTING MACHINE								31862	1593
	CUTTING MACHINE								179350	67574
	DISTILLED WATER.PT								23600	16311
	DIGITAL SLUB SYSTEM								34000	200
	DRILLING MACHINE								739500	36975
	ELECTRIC MOTOR								22550	11662
	LATHE								2983681	141561
	LONG TERM AUTOLEVELLER								55664	2783
	MOTOR PUMPSET								1006040	50302
	WATER SOFTNER PT.								603484	137219
	WEIGHING M/C.								70628	3531
	YARN CLEARER								539071	91181
	TROLLY								4199511	209974
	TURBINE								135362	86909
	VENTILATORS								204600	51182
	SPREY M/C.								5468	4992
	SUB TOTAL (OTHER EQUIPMENTS):								31582737	4013355
	ELECTRICAL AND UTILITIES (B' MILL)									
	TRANSFORMER									
	TRANSFORMER	ETE	TRM1,2			500KVA	2003	2	232095	11605
	TRANSFORMER	KIRLOS	TRM3,4			500KVA	1989	2	311856	15593
	TRANSFORMER	SRT	TRM5			500KVA		1	74902	3745
	TRANSFORMER	SRT	TRM6			500KVA	2005	1	330298	16514
	TRANSFORMER ACCESSORIES								42576	2129
	GENERATORS									
	GENERATOR	SKODA	GTR1			1000 KVA	1990	1	3820440	191022
	GENERATOR	Mahindra	GTR2			62.5 KVA	2011	1	376500	18825
	GENERATOR ACCESSORIES								703554	4047
	SUB TOTAL (ELECTRICAL)								5892221	263480
	SUB TOTAL (PLANT AND MACHINERY)								293754104	3886726
										3

S.No.	Details								Cost Rs.	Book Value as on 31.03.2021 Rs.
	Details of Assets	Make	M/c.S.No.	Manuf.No.	Mill	Model No	Year	No.of		

ANNEXURES

			No.			M/c.		
WINDMILL: (B MILL)								
SUB TOTAL							62382500	16561304
(WINDMILL- GENSET)								
POWER DISTRIBUTION SYSTEMS:								
SUB TOTAL							13637691	765192
(ELECT.INSTALLATION)								
FURNITURES & FIXTURES:								
AIR CONDITIONERS		ALL-DEPT					610781	130089
FURNITURES		ALL-DEPT					566119	24994
OFFICE EQUIP.		ALL-DEPT					429559	27888
E.D.P. EQUIPMENTS (B)		DEPT					1615783	316741
SUB TOTAL (FURNITURES & FITURES)							3222242	499712
VEHICLES:								
VAN- TN 25U 3486	MAHIND TOURISTER						748820	37441
CAR - TN 25 U 9	HONDA CRV(MD)						1979000	98950
CAR - TN 01BJ 0100	INNOVA						2630254	728943
JEEP - TN 25AT 6574	SUMO						803148	76062
SCOOTER-TN01 AE 1262							45124	2256
SCOOTER- TMB1791							9724	486
SCOOTER-TMK7027							9435	414
SCOOTER-TN236515							8205	410
SCOOTERS - TN 06C 7346							23000	5404
SCOOTERS - TN 1F 8714							11067	553
TRACTOR-TN01L9745							400000	20000
TRAILOR- TAV 2706							31800	1590
CYCLE							7083	0
SUB TOTAL (VEHICLES) :							6706660	972509
OTHER ASSETS: B								
MILL								
BORE WELL							821299	127420
DIESEL S.TANK-A(45 KL) 1 mcne							138010	6900
SUB TOTAL (OTHER ASSETS)							959309	134320
TOTAL (TANGIBLE ASSETS)							380662506	57800300
INTANGIBLE ASSETS:								
COMPUTER SOFTWARES (B MILL)							1304846	65242
GRAND TOTAL - (B MILL ASSETS)							381967352	57865542

As on 31.03.2021

	Cost Rs. in Lakhs	Book Value Rs. in Lakh
GRAND TOTAL - (B MILL ASSETS)	3819.67	578.66

SCHEDULE – III

I. Details of Secured Borrowings pertains to Demerged Undertaking and details of security for those borrowing on Demerger.

1.1 Vehicle Loan

	(Rs.in Lakhs)	
	Sanctioned Limit	Outstanding as on 31.03.2021
Borrowed from Indian Overseas Bank, Esplanade Branch, Chennai, Loan A/c.No.	22.44	10.67

This loan is to be Transferred to the Resulting Company on Demerger.

Security

This loan is secured by Hypothecation of the Vehicle purchased out of the loan with Registration No.TN01BJ0100. Hypothecation of the Vehicle in favour of the lender will continue and Vehicle will be transferred to the Resulting Company on demerger.

2.1 Secured loan from Non Banking Finance Company (NBFC)

	(Rs.in Lakhs)	
	Sanctioned Limit	Outstanding as on 31.03.2021
Borrowed from Banyan Ventures and Investment Pvt.Ltd., (NBFC) Agastyar Manor No.20 Raja Street, T-Nagar, Chennai – 600 017	200.00	200.00

This loan is to be transferred to the Resulting Company on Demerger.

Security

This loan is secured by :

- (1) Hypothecation of 1 No.Suzlon Make 1.25 MW Wind Mill Generator with accessories situated at Udayathoor Village, Radhapuram Taluk, Tirunelveli District, Tamilnadu.
- (2) Equitable Mortgage of Deposit of titles of Land measuring 2.00 Acres in Udayathoor Village, Valliyoor Panchayath Union, Radhapuram Taluk, as detailed and super structure thereon:

S.No.	S.F.No.	Extent (Acres)
1.	950/1A	0.295

2.	950/1B	1.155
3.	950/2	0.550
Total		2.000

To loan continued to be secured as detailed above, as both the Wind Mill machinery and Land and Building as detailed above are also to be transfer to the Resulting Company on Demerger.

3.1 Working Capital Bank Borrowings:

The Demerged Undertaking is availing the following Working Capital Bank finance from State Bank of India (SBI), Leather and International Branch, Chennai 600 010.

Details of Facility	(Rs.in Lakhs)	
	Sanctioned Amount	Outstanding as on 31.03.2021
<u>Fund Based</u>		
Export Bill Discounting (Non LC)	100.00	49.33
Sub Total	100.00	49.33
<u>Non Fund Based</u>		
Letter of Credit (Inland/Foreign)	(200.00)	183.41

(Note: Figures in bracket indicates sub-limit)

Entire above referred Working Capital Bank Finance from State Bank of India, is to be transferred to Resulting Company on Demerger.

3.2 Security for the Working Capital Bank Finance:

The above said facilities are to be secured, on demerger as under:

I) Prime Security

Facility	Details of Prime Security
Export Bills Discounting (Non LC)	Documents title to goods and Hypothecation charge on all current assets, both present and future of the DEMERGED UNDERTAKING OF RESULTING COMPANY ON EXCLUSIVE BASIS
Letter of Credit (I/F)	Documents title to goods and extension of first charge over the entire current assets, both present and future as stipulated for Cash Credit of the DEMERGED UNDERTAKING OF RESULTING COMPANY ON EXCLUSIVE BASIS

II. Collateral Security

The Working Capital Bank finance from State Bank of India is to be collaterally secured as below:

- (i) Equitable Mortgage on Exclusive basis on the following properties that will be transferred to the Resulting Company.

(a) On Land measuring about 3.5 grounds and building thereon at Door No.16, Krishnama Road, Nungambakkam, Chennai – 600 034.

(b) On Factory Land measuring Acres 43.23 in Sevoor, Ragunathapuram, Arni Taluk, Thiruvannamalai District, Tamilnadu comprised in Survey Nos.:

6/11, 6/8, 47/2, 6/3, 8/4, 8/1, 8/10, 8/9, 5/2, 6/4, 6/10, 6/6, 6/7, 47/3, 10/1, 10/9, 9/3 10/5 48/1A, 5/3, 5/4, 6/12, 6/5, 9/1A, 9/2, 10/2, 8/2, 9/1B, 8/7, 7/3, 7/2, 5/1, 6/1 8/5, 7/8, 8/3, 4/1, 6/2, 8/6, 4/2, 49/4 (228/4), 6/6, 7/7, 8/8, 10/10, 47/1, 47/4. and building thereon.

(c) Hypothecation of all unencumbered movable fixed assets of the Resulting Company on Demerger.

3. Personal Guarantee:

The vehicle loan from Indian Overseas Bank and Working Capital Finance from State Bank of India of the Demgered undertaking to be vested in Resulting Company are to be secured by the Personal Guarantee of the Promoter Director(s) who will be in the Board of Resulting Company on Demerger.

* * * * *

SCHEDULE – IV

Details of Deposit from Consignment Agent which is classified under unsecured borrowing to be transferred by the Demerged Company to the Resulting Company.

Details	Outstanding Amount as on 31.03.2021 Rs.in lakhs
Consignment Deposits from B K Seth & Co.	0.50

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SCHEDULE – V

Details of Financial Assets and Security Deposit relating to the Demerged Undertaking to be transferred by the Demerged Company to the Resulting Company on Demerger.

1. Bank Accounts both Fixed Deposits and Current Accounts:

1	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39716621519	3.05
2	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39722178939	3.25
3	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39733639659	3.60
4	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39781829654	3.45
5	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39802376383	3.45
6	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39811860456	3.00
7	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39846067737	3.30
8	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39854959852	3.60
9	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39860067581	3.50
10	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39874736322	3.20
11	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39882764543	3.00
12	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39892058706	3.30
13	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39919860422	0.80
14	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39935826957	3.60
15	State Bank of India, L & I Branch, Chennai	Fixed Deposit	39963019190	0.75
	Sub Total			44.85
16	Canara Bank, Arni	Current Account	0949201000153	}
17	State Bank of India, Arni	Current Account	11113095224	
18	State Bank of India, L & I	Current Account	10255987262	
	Total			30.90

The transfer / reopening will be of the balances on the Effective Date. The balances on the above accounts relating to Demerged Undertaking are to be transferred to the accounts to be opened in the name of Resulting Company.

2. Investment in Shares:

S.No.	Details	Book Value as on 31.03.2021 Rs.in lakhs
1.	3,59,563 Equity Shares of Rs.10 each fully paid in Gamma Green Power Pvt Ltd.,	35.96
2.	100 Equity Shares of Rs.10 each in TCP Power Ltd.,	0.83
Total		35.79

The above referred investments, including any investment that may be in the book of Demerged Undertaking on the Effective Date are to be transferred in the name of Resulting Company.

3. Security Deposit with TANGEDCO and Others

S.No.	Details of Deposit	Balance as on 31.03.2021 Rs.in lakhs
1.	Deposit with TANGEDCO, Thiruvannamalai for HT SC No.42	39.84
2.	Deposit with TANGEDCO, for Wind Mill with Tirunelveli Circle	Nil
3.	Telephone Deposit with Bharat Sanchar Nigam Limited, Chennai & Arni.	0.05
4.	Deposit with Elite Petrol Service Depo	0.10
Total		39.99

The above referred Deposits, pertaining to Demerged Undertaking that may exist on the Effective Date are to be transferred in the name of Resulting Company.

* * * * *

SCHEDULE – VI

Details of Licenses / Permissions / consents from Government / Statutory / Quasi Government Authorities relating to the Demerged Undertaking to be transferred by the Demerged Company to the Resulting Company on Demerger.

S.No.	Details of Licenses / permission / consent to be transferred
1.	Under the Acknowledgement No/61/SIA/1MO/2003 dated 07-01-2003 issued by Entrepreneurial Assistant Unit, Secretariat for Industrial Assistant (SIA) Ministry of Commerce and Industry, Government of India, for the receipt of Memorandum for the manufacture of "Cotton Yarn" with capacity of 60,544 Spindles and 336 Rotors in the name of Demerged Company, 29,348 Spindles are installed in the Demerged under taking. On demerger this installed spindles of 29,348 spindles are to be classified under the new Acknowledgement No.670/SIA/1MO/2019 online Reference No.IEM 262544 dated 11.04.2019 issued by Industrial Entrepreneurs Memorandum Section, Secretariat for Industrial Assistance (SIA) Ministry of Commerce and Industry, Government of India with corresponding reduction in the installed capacity of Remaining Undertaking of Demerged Company.
2.	Registration vide No.PF Sun Code No.TN/VLR/74929 under the Employees Provident Fund Act 1952.
3.	Registration vide No.ESI Sun Code No.51510105070020101 under the Employees State Insurance Act 1948.
4.	Panchayat Tax and Motor License issued by Sevoor Panchayat for Door No.1755A/5
5.	License No.TM 71 issued under the Factories Act. 1948 by Joint Director of Industrial Safety & Health. Sub Division II, Vellore
6.	Explosives License No.P/HQ/TN/15/581(P13687) issued by Controller of Explosives, Vellore.
7.	The Water (Prevention and Control of Pollution) Act 1974 Tamilnadu Pollution Control Board, Thiruvannamalai.
8.	The Air (Prevention and Control of Pollution) Act 1974 Tamilnadu Pollution Control Board, Thiruvannamalai.
9.	Fire Service License issued by District Office, Fire and Rescue Service, Thiruvannamalai.
10.	High Tension Service Connection No.42, by the superintending Engineer TANGEDCO, Thiruvannamalai, with sanctioned Demand 2400 KVA / Villupuram Region.
11.	High Tension Service Connection No.1136, Loc No.5666, SF No.95A/1A, 1B Udayathour, Radhapuram, Tirunelveli Circle, for Windmill Capacity 1.25MW.

* * * * *

SCHEDULE – VII

Details of carried over loss under the Income Tax Act, and Tax Credit for Minimum Alternate Tax already paid that will be available for Resulting Company on Demerger.

1. Depreciation and Loss to be carried for adjustment:

The Demerged Company has carry over loss and depreciation under the Income Tax to be adjusted against future business income/ long term capital gain. The Resulting Company shall be entitled for carried over loss and depreciation apportioned as per provision in 72A (4)(b) of the Income Tax Act, 1961 as detailed below. However the quantum of loss Depreciation and loss will be subject to charge due to any disallowance or addition in the course of regular assessment of Demerged Company.

WORKING ON CARRYOVER DEPRECIATION AND BUSINESS LOSS AND LOSS UNDER THE HEAD “LONG TERM CAPITAL GAIN”.

Details	Rs.in lakhs
a) Ratios of apportionment	
Income Tax Purpose	
WDV of assets of Demerged Undertaking (RESULTING COMPANY) as on 31.03.2021) - B Mill	465.40
Income Tax Purpose	
WDV of assets of Remaining Undertaking (DEMERGED COMPANY) as on 31.03.2021) - A Mill	406.14

Total Income Tax Purpose WDV as on 31.03.2021	871.54

b) Ratios of apportionment	
i) For Demerged Undertaking (RESULTING COMPANY) - B Mill	0.534
ii) For Remaining Undertaking (Demerged Company after Demerger) - A Mill	0.466

	1.000

c) Apportionment

i) Under the Head “Income from Business or Profession”

Pertains to Assessment year	Demerged Company before Demerger			For Demerged Undertaking - B Mill Ratio 0.534			For Remaining Undertaking - A Mill Ratio 0.466		
	Depreciation Loss	Business Loss	Total	Depreciation Loss	Business Loss	Total	Depreciation Loss	Business Loss	Total
2015-16	160.46	5.04	165.50	85.69	2.69	88.38	74.77	2.35	77.12
2016-17	151.81	167.17	318.98	81.07	89.27	170.34	70.74	77.90	148.64
2017-18	141.04	429.91	570.95	75.31	229.57	304.88	65.73	200.34	266.07
2018-19	122.36	83.73	206.09	65.34	44.71	110.05	57.02	39.02	96.04
2019-20	119.45	490.89	610.34	63.79	262.13	325.92	55.66	228.76	284.42
2020-21	135.25	882.25	1017.50	72.22	471.12	543.34	63.03	411.13	474.16
2021-22	158.31	32.32	190.63	84.54	17.26	101.80	73.77	15.06	88.83
Total	988.68	2091.31	3079.99	527.96	1116.75	1644.71	460.72	974.56	1435.28

ii) Long Term Capital Loss to be carried forward for set off under the Head "Income from Long Term Capital Gain".

Assessment Year	Demerged Company	For Demerged Undertaking B Mill Ratio 0.534 Rs.in lakhs	For Remaining Undertaking A Mill - Ratio 0.466 Rs.in lakhs
2017-18	23.65	12.63	11.02
2019-20	9.00	4.81	4.19
Total	32.65	17.44	15.21

* * * * *

SCHEDULE - VIII

Details of modifications required in the charges Registered with Registrar of Companies by the Demerged Company.

A. The following charges Registered with Registrar of Companies in respect of secured Borrowings relating to the Demerged Undertaking , which now stand in the name of Demerged Company, on demerger of Demerged undertaking, will stand modified in the name of Resulting Company as under:

S. No	Charge ID	Charge Holder Name	Date of Creation	Date of Modification	Amount Rs.	Address	Modifications Required
1.	90288113	State Bank of India	06-04-2005	14-01-2020	30000000	LEATHER and INTERNATIONAL BRANCH "MVS" TOWER, 177/1 PH ROAD CHENNAI TN 600010 IN	<p>a) The name of the Borrower/ Company is to be changed as SLST Industries Ltd., instead of present one and Corporate Identify No. is to be changed as U17299TN2018PLC125103 instead of present one.</p> <p>b) The Assets secured are to be modified as under instead of present one:</p> <p>i) First Charge on the entire current asset, both present and future, which includes Raw Materials, stock in process, finished goods, consumable stores and spares, receivables etc., of the company.</p> <p>ii) First Charge on the following properties of the company.</p> <p>a) On Land measuring about 3.5 grounds and building thereon at Door No.16, Krishnama Road, Nungambakkam, Chennai-600 034.</p> <p>b) On Factory Land measuring about Acres 43.23 in Sevoor, Rangunathapuram, Arni Taluk, Thiruvannamalai</p>

						<p>District, Tamilnadu comprised in Survey Nos.:</p> <p>6/11, 6/8, 47/2, 6/3, 8/4, 8/1, 8/10, 8/9, 5/2, 6/4, 6/10, 6/6, 6/7, 47/3, 10/1, 10/9, 9/3, 10/5, 48/1A, 5/3, 5/4, 6/12, 6/5, 9/1A, 9/2, 10/2, 8/2, 9/1B, 8/7, 7/3, 7/2, 5/1, 6/1, 8/5, 7/8, 8/3, 4/1, 6/2, 8/6, 4/2, 49/4 (228/4), 6/6, 7/7, 8/8, 10/10, 47/1, 47/4. and building thereon.</p> <p>iii) First Charge on unencumbered movable fixed assets both present and future of the company.</p>
2.	100316697	Banyan Ventures and Investment Pvt. Ltd..	02-01-2020	--	20000000	<p>Agastyar Manor No.20 Raja Street, T-Nagar, Chennai – 600 017</p> <p>On land measuring about 2 Acres comprised in Survey No. 950/A, 950/1B and 950/2 of Udayathoor Village, Radhapuram Taaluk, Tirunelveli District, Tamilnadu and all buildings structure, Windmills thereon.</p>

B. The following charges Registered with Registrar of Companies in respect of secured Borrowings relating to the Remaining Undertaking are to be modified as below:

S. No	Charge ID	Charge Holder Name	Date of Creation	Date of Modification	Amount Rs.	Address	Modifications Required
3.	100125611	Indian Overseas Bank	08-09-2017		2274000	Chennai House, Esplanade Branch, Chennai TN 600108 IN	No modification required.
4.	90287348	INDIAN OVERSEAS BANK	13-03-1995	18-01-2021	5000000	Chennai House, Esplanade Branch, Chennai TN 600108 IN	<p>The assets secured are to be modified as under instead of present one:</p> <p>i) First Charge on the entire current asset, both present and future, which includes Raw Materials, stock in process, finished goods, consumable stores and spares, receivables etc., of the company.</p> <p>ii) First Charge on the following properties of the company.</p> <p>a) On Land measuring about 3.5 grounds and building thereon at Door No.16, Krishnama Road, Nungambakkam, Chennai 600034.</p> <p>b) On Factory Land measuring about Acres 43.23 in Sevoor, Ragunathapuram, Arni Taluk, Thiruvannamalai District, Tamilnadu comprised in Survey Nos.: SEVOOR: 7/5, 3/6, 3/5, 7/1, 3/1, 3/2, 3/3, 3/4, 7/6, 7/4, 3/7, 8/7, 7/3, 5/1, 6/1, 8/5, 7/8, 8/3, 4/1, 4/1, 8/6, 6/2, 7/2, 7/7, 49/4 (228/4), 49/2 (228/1), 49/3 (228/2), 4/2, 49/1, Kunnatur: 268/4, 270/3, 269/2, 268/5, 269/4, 270/2, 270/5, 270/4, 270/1, 269/3A, 269/3B, 270/7, 271/1, 270/6 Agrapalayam: 262/2C, 264/6, 264/8, 264/2B2</p>

							c) First Charge on unencumbered movable fixed assets both present and future of the company.
5.	902873 31	Indian Overs eas Bank	14-12- 1994	18-01- 2021	40000 000	Chennai House, Esplanade Branch, Chennai TN 600108 IN	<p>The assets secured are to be modified as under instead of present one:</p> <p>i) First Charge on the entire current asset, both present and future, which includes Raw Materials, stock in process, finished goods, consumable stores and spares, receivables etc., of the company.</p> <p>ii) First Charge on the following properties of the company.</p> <p>a) On Land measuring about 3.5 grounds and building thereon at Door No.16, Krishnama Road, Nungambakkam, Chennai 600034.</p> <p>b) On Factory Land measuring about Acres 43.23 in Sevoor, Ragunathapuram, Arni Taluk, Thiruvannamalai District, Tamilnadu comprised in Survey Nos.: SEVOOR: 7/5, 3/6, 3/5, 7/1, 3/1, 3/2, 3/3, 3/4, 7/6, 7/4, 3/7, 8/7, 7/3, 5/1, 6/1, 8/5, 7/8, 8/3, 4/1, 4/1, 8/6, 6/2, 7/2, 7/7, 49/4 (228/4), 49/2 (228/1), 49/3 (228/2), 4/2, 49/1, Kunnatur: 268/4, 270/3, 269/2, 268/5, 269/4, 270/2, 270/5, 270/4, 270/1, 269/3A, 269/3B, 270/7, 271/1, 270/6 Agrapalayam: 262/2C, 264/6, 264/8, 264/2B2</p> <p>c) First Charge on unencumbered movable fixed assets both present and future of the company.</p>

6.	800242 68	Indian Overs eas Bank	14-02- 1994	16-11- 2021	99810 00	Chennai House, Esplanade Branch, Chennai TN 600108 IN	<p>The assets secured are to be modified as under instead of present one:</p> <p>i) First Charge on the entire current asset, both present and future, which includes Raw Materials, stock in process, finished goods, consumable stores and spares, receivables etc., of the company.</p> <p>ii) First Charge on the following properties of the company.</p> <p>a) On Land measuring about 3.5 grounds and building thereon at Door No.16, Krishnama Road, Nungambakkam, Chennai 600034.</p> <p>b) On Factory Land measuring about Acres 43.23 in Sevoor, Ragunathapuram, Arni Taluk, Thiruvannamalai District, Tamilnadu comprised in Survey Nos.: SEVOOR: 7/5, 3/6, 3/5, 7/1, 3/1, 3/2, 3/3, 3/4, 7/6, 7/4, 3/7, 8/7, 7/3, 5/1, 6/1, 8/5, 7/8, 8/3, 4/1, 4/1, 8/6, 6/2, 7/2, 7/7, 49/4 (228/4), 49/2 (228/1), 49/3 (228/2), 4/2, 49/1, Kunnatur: 268/4, 270/3, 269/2, 268/5, 269/4, 270/2, 270/5, 270/4, 270/1, 269/3A, 269/3B, 270/7, 271/1, 270/6 Agrapalayam: 262/2C, 264/6, 264/8, 264/2B2</p> <p>c) First Charge on unencumbered movable fixed assets both present and future of the company.</p>
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SCHEDULE – IX

DETAILS OF CASES RELATING TO THE DEMERGED UNDERTAKING FILED BY DEMERGED COMPANY TO BE CONTINUED IN THE NAME OF RESULTING COMPANY ON DEMERGER.

S.No.	Details of the case	Value Rs.
1.	Suit filed by the Demerged Company before the Arni Sub Court (Court Name) case No.032/2018 for recovery of sales receivable of Rs.4,71,390 with interest.	4,71,390
2.	Suit filed by the Demerged Company before the Arni Sub Court (Court Name) Case No.032/ 2018 for recovery of sales receivable of Rs.6,65,330 with interest.	6,65,330
3.	Suit filed by the Demerged Company before the Principle Judge, Tirupur Court, IP No.13/ 2018 for recovery of sales receivable of Rs.2,57,557 with interest.	2,57,559
4.	Writ petition before Madras High Court, the earlier order passed by this Court in WP Nos.34123 and 34124 of 2015 dated 27.10.2015, there shall be an order of interim stay on condition that the petitioner shall deposit 50% of the demand made in the impugned order, within a period of four court of this order. WP No. 13383/ 2018 and WMP No. 15771/2018	15,03,857

SCHEDULE – X
BALANCE SHEET AS ON 31.03.2021 (Audited)

ASSETS	Amount Rs. in lakhs		
	Balance Sheet of Demerged Undertaking (B Mill)	Balance Sheet of Remaining Undertaking (A Mill)	Balance Sheet of Demerged Company before demerger (Consolidated)
1. Non-Current Assets :			
(a) Property, Plant and Equipment	710.54	475.31	1185.85
(b) Other Intangible assets	0.65	8.69	9.35
(c) Financial Assets :			
i. Investments	36.78	5.00	41.78
(d) Other Non- Current Assets	0.00	127.35	127.35
Total Non -Current Assets	747.97	616.35	1364.33
2. Current Assets :			
(a) Inventories	327.14	617.06	944.20
(b) Financial Assets :			
i. Trade Receivables	67.76	106.34	174.10
ii. Cash and Cash Equivalents	21.32	13.35	34.67
iii. Bank balance other than (ii) above	44.85	41.67	86.52
iv. Security Deposits	39.99	116.29	156.28
(c) Current Tax Assets (Net)	6.50	8.08	14.58
(d) Other Current Assets	190.34	88.09	258.91
Total Current Assets	697.90	990.88	1669.26
TOTAL ASSETS	1445.87	1607.23	3033.59
EQUITY AND LIABILITIES	31st Mar 2021	31st Mar 2021	31st Mar 2021
Equity			
1. (a) Equity Share Capital	-200.80	-1011.11	333.28
(b) Other Equity	Net Worth	Net Worth	-1545.19
Total Equity	-200.80	-1011.11	-1211.91
2. LIABILITIES:			
A Non Current Liabilities :			
(a) Financial Liabilities			
i. Borrowings	105.02	3.07	108.09
(b) Deferred tax liabilities (Net)	0.00	0.00	0.00
Total Non Current Liabilities	105.02	3.07	108.09
B Current Liabilities :			
(a) Financial Liabilities			
i. Borrowings Secured	0.00	0.00	0.00
ii. Borrowings Un Secured	0.50	771.70	772.20
iii. Trade Payables			
- Dues to micro and small enterprises	0.57	22.69	23.26
- Dues to other than micro and small enterprises	764.64	1157.92	1922.56
iv. Other financial liabilities	387.29	306.50	674.28
(b) Provisions	388.65	356.46	745.11
(c) Current Tax Liabilities (Net)	0.00	0.00	0.00
Total Current Liabilities	1541.65	2615.27	4137.41
TOTAL EQUITY AND LIABILITIES	1445.87	1607.23	3033.59

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

(Jitendra Kumar Pal)
Company Secretary

Date: 10th May 2022

Annexure 2



Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

December 22, 2022

To,
BSE Limited
Department of Corporate Services
Floor 1, P. J. Towers,
Dalal Street,
Mumbai 400 001

Kind Attn: Ms. Tanmayi Lele/ Mr. Prasad Bhide

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (ARNI) Limited ("the Demerged Company"/ "the Company") and SLST Industries Limited ("the Resulting Company") as per section 230 to 232 of the Companies Act, 2013.


Dear Madam,

With reference to the captioned subject and further to our reply dated 24.11.2022, please find attached valuation report along with Annexure II.

Kindly acknowledge the receipt of the same and further request you to issue the In Principle Approval for the Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (ARNI) Limited ("the Demerged Company") and SLST Industries Limited ("the Resultant Company").

Thanking You,

Yours Faithfully
For SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED


(JITENDRA KUMAR PAL)
COMPANY SECRETARY



Encl: As Above

Regd. Off.: 16, Krishnama Road, Nungambakkam, Chennai - 600 034, India
Phone: 91-44-28277344 / 28270548 E-mail : slst@slstarni.com
Web : www.slstindia.com



Valuation Opinion

Valuation for Demerger, Transfer and Vesting of the Demerged Undertaking (Mill B), of the Demerged Company (Sri Lakshmi Saraswathi Textiles (Arni) Limited) into the Resulting Company (SLST Industries Limited)

Date: December 15, 2022

Name of CA / Registered Valuer

Independent Registered Valuer: Dinesh Kumar Deora

IBBI Registration Number: IBBI/RV/03/2019/12711



Dinesh Kumar Deora
Registered Valuer - Securities or Financial Assets
IBBI Registration Number IBBI/RV/03/2019/12711
ICSI RVO COP Number ICSIRVO/SFA/73

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

Date: December 15, 2022

To,
The Board of Directors
Sri Lakshmi Saraswathi Textiles (Arni) Limited
16, Krishnama Road, Nungambakkam,
Chennai,-600 034

Dear Sir,

I, Dinesh Kumar Deora, have been appointed by the Board of Directors of Sri Lakshmi Saraswathi Textiles (Arni) Limited (*"Demerged Company" or "SLSTL"*) on April 25, 2022 (*"Appointment Date"*) for recommendation of share entitlement ratio for the proposed De-merger of Sri Lakshmi Saraswathi Textiles (Arni) Limited and the merger of B Mill of Sri Lakshmi Saraswathi Textiles (Arni) Limited with SLST Industries Limited (*"the Resulting Company" or "SLST"*) as on December 15, 2022 (*"Valuation Date"*) (*"Proposed Transaction"*) pursuant to a Composite Scheme of Arrangement under Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (*"Scheme"*). The Appointed date for the Scheme is April 01, 2021

I am registered as a Valuer for the Asset Class (Securities & Financial Assets) with the Insolvency and Bankruptcy Board of India pursuant to which I am authorised to issue this opinion / report.

All information in this report with respect to the valuation subject has been obtained by me from you / your authorized personnel only. I am responsible only to the Companies engaging me and nobody else. I understand that the contents of my report have been reviewed in detail by the Management and that you agree with the contents of this report (especially fact based).

I do not have any conflict of interest in issuing this opinion.

Thanking You,
Yours Sincerely,



Dinesh Kumar Deora
Registered Valuer (Securities & Financial Assets)
Registration No: IBBI/RV/03/2019/12711
Place: Mumbai



Dinesh Kumar Deora
Registered Valuer - Securities or Financial Assets
IBBI Registration Number IBBI/RV/03/2019/12711
ICSI RVO COP Number ICSIRVO/SFA/73

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

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Salient Features of the Scheme
Information Sources
Applicable Regulations & Valuation Methodologies
Valuation Analysis and Conclusion
Limiting Conditions



Dinesh Kumar Deora
Registered Valuer - Securities or Financial Assets
IBBI Registration Number IBBI/RV/03/2019/12711
ICSI RVO COP Number ICSIRVO/SFA/73

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
 Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

Background

- **Sri Lakshmi Saraswathi Textiles (Arni) Limited**
 - Sri Lakshmi Saraswathi Textiles (Arni) Limited was incorporated as a public limited Company under the Companies Act, 2013 on May 02, 1964 and having its registered office at 16, Krishnama Road, Nungambakkam Chennai, Tamilnadu-600 034.
 - The Company is primarily engaged in the business of manufacturing, buying, selling of yarn cloth and other fabrics made from raw cotton, silk, artificial silk staple fibre, polypropylene, fiber, rayon, wool, polyester, viscose and blended variety of the aforementioned materials, flex, hemp, jute, wool and silk merchants, growers of mulberry or others trees and producers of any other articles.
 - Capital structure of the Company as on September 30, 2022 is as follows:

Share Capital	Amount
<u>Authorized Share Capital</u>	
1,50,00,000 Equity shares of Rs. 10/- each	15,00,00,000
50,00,000 Preference Share of Rs.10/- each	5,00,00,000
TOTAL	20,00,00,000
<u>Issued, subscribed and paid-up Share Capital</u>	
33,32,750 Equity shares of Rs. 10/- each Fully Paid	3,33,27,500
TOTAL	3,33,27,500

Split of Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company:

The Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company is Rs. 3,33,27,500/- (Rupees Three Crore Thirty Three Lakhs Twenty Seven Thousand and Five Hundred Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Rs. 10/- (Rupees Ten Only) each fully paid up. It is proposed to Split the Share Capital of the Company between the Demerged Company and the Resulting Company as follows:

- i. **Demerged Company:** Rs. 33,32,750/- (Rupees Thirty Three Lakhs Thirty Two Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Re. 1/- (Rupees One Only) each fully paid up.
 - ii. **Resulting Company:** Rs. 2,99,94,750/- (Rupees Two Crores Ninety-Nine Lakhs Ninety-Four Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Rs. 9/- (Rupees Nine Only) each fully paid up
- **SLST Industries Limited**
 - SLST Industries Limited was incorporated as a public limited company on October 04, 2018 under the Companies Act, 2013 and having registered office at New No.16, Old No.17, Krishnama Road, Nungambakam, Chennai-600 034.



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- The Company is primarily engaged in the business of spinning weaving and manufacturing, buying, selling, exporting or importing of yarn cloth and other fabrics made from raw cotton, waste cotton, silk, artificial silk staple fibre, polypropylene, fibre, rayon, wool, polyester, viscose and any blended variety of the aforementioned materials, flex, hemp, jute, wool and silk merchants, growers of mulberry or other trees and producers of any other articles.
- Primarily there is no business activity in the Company.
- Capital structure as on September 30, 2022 is as follows:

Share Capital	Amount
Authorized Share Capital	
12,000 Equity shares of Rs. 9/- each	1,08,000
TOTAL	1,08,000
Issued, subscribed and paid-up Share Capital	
12,000 Equity Shares of Rs. 9/- each Fully Paid	1,08,000
TOTAL	1,08,000

- **Proposed Transaction**
 - We understand that the management of the Companies are contemplating a Scheme of De-Merger ("Scheme") whereby:
 - The Scheme provides for the Demerger of *SLSTL* (Demerge Company) (Mill B) and its merger with *SLST* (Resulting Company)
 - As a consideration for the Proposed Transaction, shares of *SLST* would be issued to the shareholders of *SLSTL*.

The scope of our services is to conduct valuation in accordance with generally accepted professional standards for the purpose of Proposed Transaction.

Salient Features of the Scheme

- I. The Demerged Company is presently having installed capacity of 68,448 Ring Spindles in aggregate comprising of Mill A and 35,088 Ring Spindles in Mill B. Mill A is manufacturing all varieties of 100% combed cotton yarn of fine counts used for manufacturing of fine varieties cloths and the products which are marketed mainly in up countries where power looms are operated in large scale and Mill B is manufacturing of all varieties of combed cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market such as Erode, Tirupur and Pallipalayam in Tamil Nadu and other markets in the State of Maharashtra. The Resulting Company is formed with intention to absorb the transfer, Mill B (Demerged Undertaking) of the Demerged Company pursuant to Scheme of arrangement (Demerger). The Resulting Company would be focusing on mainly manufacturing of all varieties of combed cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market. The Resulting Company will be concentrating

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on manufacturing of yarn suitable for manufacture of Suiting Cloth and Knitted Fabrics. Its products will continue to be marketed in the domestic market in Erode, Tirupur and Pallipalayam in Tamilnadu. Since the Resulting Company will be manufacturing yarns of different kind, garments, athletic wear, other products in the textile value chain and market them in different area and in order to manage both the Mills efficiently and in a focused manner and to improve the overall performance of both the Mills, the management of Demerged Company has considered it necessary to demerge, transfer and vest the Mill B of the Demerged Company, as a going concern into the Resulting Company.

- II. The Scheme if implemented will facilitate a separate and better management focus for both the Demerged Company and the Resulting Company on their respective units and thereby provide the distinct competencies required for achieving full potential, in order to meet the betterment of their respective customers, their needs, priorities and thereby eliminating any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success.
- III. Further the proposed Scheme of Arrangement (Demerger) is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholders value and to achieve higher long-terms financial returns.
- IV. The Scheme will contribute in furthering and fulfilling the objects of the companies concerned.
- V. The Scheme will enable both the Demerged and Resulting Companies to carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests. The Scheme will enable both the Companies to take advantage of the opportunities foreseen in their respective businesses and to assist in the exploitation and realization of the full potential in the respective businesses and implement schemes of modernization, technology upgradation, expansion, diversification etc.,
- VI. After the implementation of the Scheme, there will be Inter-se Transfer amongst the Promoter/ Promoter Group. In compliance with SEBI (SAST) Regulation, 2011.
- VII. The Scheme will result in business synergies, synergies in operational process and creation of efficiencies by reducing time to market and benefiting customers as well as optimization of operation and capital expenditure.



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- VIII. The Reorganization of the Equity Share Capital of the Demerged Company as proposed in this scheme would be utilized to adjust the accumulated losses of the Demerged Company, so as to enable the reflection of the true and accurate financial position of the Demerged Company. The Reorganization of the Share Capital would enable and facilitate the streamlining of the financial position of the Demerged Company and also permit invitation for further debt or equity infusion. The Reorganization of the Share Capital would not prejudice any of the stakeholders and would be in the best interest of the stakeholders.
- IX. The Scheme is in interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either Demerged Company or Resulting Company would be prejudiced as a result of the Scheme of Arrangement and the Scheme will have beneficial results for the companies, their shareholders and employees and is also in general public interest.

Information Sources

For the purposes of undertaking this Valuation exercise, we have relied on the following sources of information and documents:

- Unaudited Financial statements of SLSTL as at 30th September, 2022 (pursuant to limited review) and Audited Financial statements of SLSTL for the year ending 31st March, 2022
- Audited Financial statements of SLST as at 30th September, 2022 and year ending 31st March, 2022
- Shareholding Pattern of SLSTL as on 31st March, 2022
- Shareholding Pattern of SLST as on 31st March, 2022
- Draft Scheme of Arrangement (Demerger)
- Write up on brief overview of the Demerged Company, Resulting Company and its operations; and
- Discussion with management of the Companies regarding its business operations.

Applicable Regulations & Valuation Methodologies

- Section 247 of the Companies Act, 2013 prescribes that “where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it shall be valued by person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee or in its absence by the Board of Directors of that company”.
- Sub-section 2 of Section 247 further states that “the valuer appointed under sub-section (1) shall,
 - make an impartial, true and fair valuation of any assets which may be required to be valued;
 - exercise due diligence while performing the functions as valuer;
 - make the valuation in accordance with such rules as may be prescribed; and
 - not undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time during a period of three years prior to his appointment as valuer or three years after the valuation of assets was conducted by him.

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- Further, the Ministry of Corporate Affairs (MCA) have prescribed Companies (Registered Valuers and Valuation) Rules, 2017 ("Valuation Rules") which prescribe the conditions of registration and conduct of valuation.
 - Rule 8 of the Valuation Rules, which deals with the conduct of valuations, prescribe that the registered valuer shall, while conducting a valuation, comply with the valuation standards as notified or modified under rule 18. Provided that until the valuation standards are notified or modified by the Central Government, a valuer shall make valuations as per:
 - Internationally accepted valuation standards;
 - Valuation standards adopted by any registered valuers' organization.
 - Since the Central Government has yet not notified any valuation standards, I have carried out the valuation on the basis of International Valuation Standards 2017 ("IVS")¹ and Indian Valuation Standards 2018 issued by the Institute of Chartered Accountants of India, a registered valuer's organization.
- a) **Valuation Bases**
- IVS 102 defines the Valuation Bases and prescribes the corresponding fundamental assumptions on which valuation will be based and provides the premises of values.
 - IVS 102 provides three valuation bases which are required to be chosen by the Valuer considering the terms and purpose of the valuation engagement.
 - **Fair value:** Price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.
 - **Participant specific value:** Estimated value of an asset or liability after considering the advantages and disadvantages that may arise to the owner, identified participant or identified acquirer.
 - **Premise of Value:** The logic behind the current and future use of the asset. Some common premises of value are highest-and-best-use, as-is-where-is, going concern value, orderly liquidation and forced transaction.

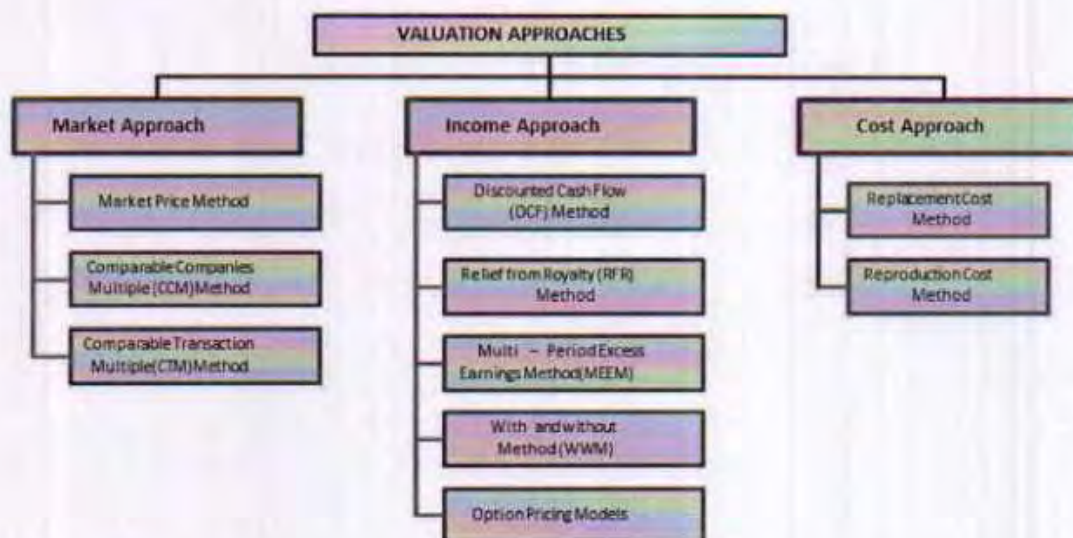
b) **Valuation Methodologies**

The IVS provides for following main valuation methods:



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- **Market Approach**

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

- **Market Price Method**

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investor's perception about the true worth of the company.

- **Comparable Companies Multiples (CCM) Method**

The value is determined on the basis of the multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

- **Comparable Transactions Multiples (CTM) Method**

Under CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between circumstances.



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• **Income Approach**

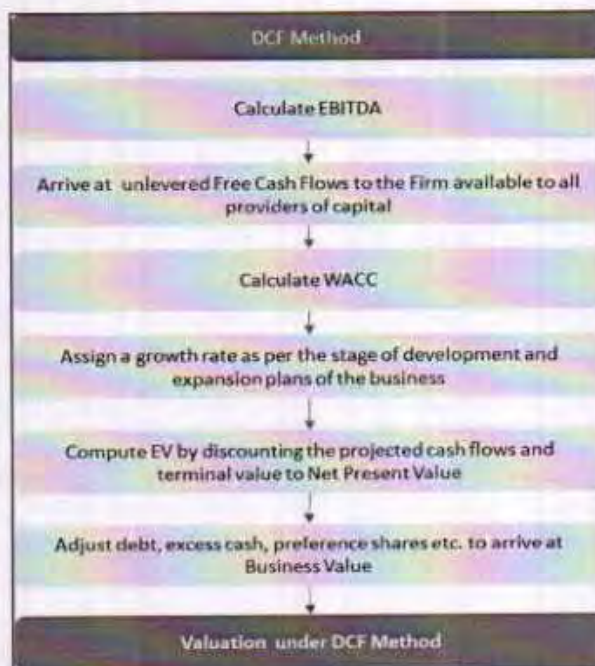
Discounted Cash flow Approach ("DCF")

- DCF Approach is widely used for valuation under 'Going Concern' basis. It focuses on the income generated by the company in the past as well as its future earning capability.
- Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows in the explicit period and those in perpetuity are discounted by Weighted Average Cost of Capital (WACC). The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers debt-equity risk by incorporating debt-equity ratio of the firm.
- The perpetuity (terminal value) is calculated based on the business potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of forecast period.
- The discounting factor reflects not only the time value of money, but also the risk associated with the future business operations. The Enterprise Value (aggregate of present value of explicit period and terminal period cash flows) so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business.




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- **Cost Approach**

Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

- **Replacement Cost Method**

Replacement Cost Method, also known as 'Depreciated Replacement Cost Method' involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.

- **Reproduction Cost Method**

Reproduction Cost Method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for obsolescence.

Valuation Analysis and Conclusion

The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment, based on the facts and circumstances as applicable to the business of the Companies to be valued. By its very nature, valuation work cannot be regarded as an exact science and given the same set of facts and using the same assumptions, expert opinions may differ owing to the number of subjective decisions that have to be made. There can therefore, be no standard formulae to establish an indisputable value, although certain appropriate formulae are useful in establishing reasonableness.

As mentioned earlier, the present valuation exercise is being undertaken in order to derive the Share Entitlement Ratio for the Proposed Transaction.

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- In the case on hand, the engagement includes valuation of SLSTL which is a listed company on a Recognized Stock Exchange in India.
- As per Market Price method, the fair value of SLSTL is Rs. 47.09/- per equity share, considering average market price of last 90 Trading days preceding the date of Valuation.
 - As per Profit Earning Capacity Value (PECV) method, the fair value of SLSTL is Rs. 159.63/- per equity share considering financials of year ending March 31, 2022. We have not considered the Financial Statements for the Half Year ended September 30, 2022 because the company is incurring losses in this period.
 - Since the company has a negative Networth, NAV Method cannot be considered.
 - Taking the weighted average of above two methods i.e., Market Price Method and PECV Method, the fair value of SLSTL is derived at Rs. 84.60/- per share before split (Face Value of Rs. 10/- per share) and Rs. 8.46/- per share after split (Face Value of Re 1/- per share)
- The SLST is newly incorporated Company formed as a special purpose vehicle to absorb Mill B into it.
- Since SLST is yet to start its operation and has a positive Networth, therefore the fair value is NAV per share which is Rs. 9/- per share (Face Value of Rs. 9/- each).

Based on the above, and on the consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Share Exchange Ratio

The Resulting Company shall without any further act or deed, issue and allot 1 (One only) Equity Share of Face Value of Rs. 9/- (Rupees Nine Only) each, credited as fully paid-up of the Resulting Company for every 1 (One only) Equity Shares of Face Value of Re. 1/- (Rupee One only) each fully paid-up, held by the Equity shareholders in the Demerged Company.

Limiting Conditions

- Valuation analysis and results are specific to the purpose of valuation mentioned in this report as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- The determination of Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on exercise of individual judgment. While, we have provided our recommendation of the Share Entitlement Ratio based on the information available to us, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratio is with the Board of Directors who should take into account other factors and input of other advisors.
- This Report does not look into the business/ commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alternative business transaction or other alternatives or whether or not such alternatives could be achieved or are available.
- No investigation / inspection of the Companies claim to title of assets has been made for the purpose of this Report and the Companies claim to such rights has been assumed to be valid.
- We owe responsibility to only the Client that has retained us and nobody else. We do not accept any liability to any third party in relation to the issue of this valuation report.

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- We have relied on information as provided to us. We assume no responsibility for the accuracy and completeness of information and will not be held liable for it under any circumstances. We have not conducted an audit, or due diligence, or reviewed / validated the projections / financial data provided by the Management.
- We assume that the Management has brought to our attention all material transactions, events or any other factors having an impact on the valuations.
- Our analysis is based on the market conditions and the regulatory environment that currently exists. However, changes to the same in the future could impact the company and the industry it operates in, which may impact our valuation analysis.
- Neither we nor any of our affiliates are responsible for updating this report because of events or transactions occurring subsequent to the date of this report.
- The valuation analysis and result relies upon the information substantively contained herein and which inter alia has been provided by you.
- It is our understanding that the results of our valuation will be used by Management for Proposed Transaction only. Our valuation report cannot be used for any other purpose.



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Annexure-1

Sri Lakshmi Saraswathi Textiles (Arni) Limited

Profit and Loss Statement for the Half Year ended September 30, 2022 and financial year ended March 31, 2022

Sr.	Particulars	Amount Rs. in lakhs	
		Half Year Ended 30 th September 2022	Year Ended 31st March 2022
	INCOME:		
I	Revenue from Operations	8076.79	15013.70
II	Other Income	12.86	12.02
III	Total Income (I + II)	8089.65	15025.72
	IV EXPENSES:		
	Cost of materials consumed	5884.78	9463.80
	Purchase of Stock-in-Trade	39.21	0.15
	Changes in inventories of work-in-process	38.54	-132.89
	Changes in inventories of finished goods	142.81	27.07
	Employee benefits expense	899.25	1726.47
	Finance costs	179.13	275.96
	Power & Fuel	1013.33	1976.08
	Depreciation	81.78	149.38
	Other expenses	608.76	1103.63
	Total Expenses (IV)	8887.59	14589.65
V	Profit / (Loss) before exceptional items and tax (III - IV)	-797.94	436.07
VI	Exceptional Items (+) / (-)	0.00	0.00
VII	Profit / (Loss) before tax (V-VI)	-797.94	436.07
VIII	Tax expense		
	a. Current Tax	0.00	0.00
	b. Deferred Tax	0.00	0.00
	c. Prior Years' Tax Charge	0.00	0.00
		0.00	0.00
IX	Profit / (Loss) for the year from Continuing Operations(VII-VIII)	-797.94	436.07
X	Profit / (Loss) from discontinued Operations	0.00	0.00
XI	Tax Expense of Discontinued Operations	0.00	0.00
XII	Profit / (Loss) from discontinued Operations after tax (X-XI)	0.00	0.00

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XIII	Profit / (Loss) for the period (IX+XII)	-797.94	436.07
XIV	Other Comprehensive income		
	(i) Remeasurement of defined benefit plans	0.00	0.00
	(ii) Equity instrument through other comprehensive income	0.00	0.00
	(iii) Income tax (expenses)/savings	0.00	0.00
XV	Total other comprehensive income	0.00	0.00
XVI	Total comprehensive income for the period (XIII+XV)	-797.94	436.07
	Earning per equity share (for continuing operation)		
	(i) Basic	-23.94	13.08
	(ii) Diluted	-23.94	13.08
	Earning per equity share (for discontinued operation)		
	(i) Basic	0	0
	(ii) Diluted	0	0
	Earning per equity share (for discontinued and continuing operation)		
	(i) Basic	-23.94	13.08
	(ii) Diluted	-23.94	13.08

Balance Sheet as at September 30, 2022 and March 31, 2022

Sr.	Assets	Amount Rs. in lakhs	
		As at 30 th September 2022	As at 31st March 2022
1.	Non-Current Assets :		
(a)	Property, Plant and Equipment	1239.39	1245.87
(b)	Capital Work In Progress	387.10	176.73
(c)	Other Intangible assets	2.00	0.73
(d)	Financial Assets :		
	i. Investments	69.68	41.97
(e)	Other Non- Current Assets	127.35	127.35
	Total Non -Current Assets	1825.52	1592.65
2.	Current Assets :		
(a)	Inventories	903.03	1479.81
(b)	Financial Assets :		
	i. Trade Receivables	211.54	217.80
	ii. Cash and Cash Equivalents	54.60	144.83

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	iii. Bank balance other than (ii) above	85.26	73.49
	iv. Security Deposits	264.02	177.99
(c)	Current Tax Assets (Net)	24.87	24.46
(d)	Other Current Assets	291.35	210.62
	Total Current Assets	1834.67	2329.00
	TOTAL ASSETS	3660.19	3921.65
	EQUITY AND LIABILITIES		
1.	EQUITY		
(a)	Equity Share Capital	333.28	333.28
(b)	Other Equity	-1907.06	-1109.12
	Total Equity	-1573.78	-775.84
2.	LIABILITIES:		
A	Non Current Liabilities :		
(a)	Financial Liabilities		
	i. Borrowings	89.84	69.32
(b)	Deferred tax liabilities (Net)	0.00	0.00
	Total Non Current Liabilities	89.84	69.32
B	Current Liabilities :		
(a)	Financial Liabilities		
	i. Borrowings Secured	0.00	0.00
	ii. Borrowings Un Secured	806.70	792.70
	iii. Trade Payables		
	- Dues to micro and small enterprises	11.54	8.80
	- Dues to other than micro and small enterprises	2567.03	2259.68
	iv. Other financial liabilities	948.87	813.91
(b)	Provisions	809.99	753.08
(c)	Current Tax Liabilities (Net)	0.00	0.00
	Total Current Liabilities	5144.13	4628.17
	TOTAL EQUITY AND LIABILITIES	3660.19	3921.65



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Valuation:

Method	Price Per Share (In Rs.)	Weight	Product
Profit Earning Capacity Value (PECV)	159.63	1	159.63
Market Price	47.09	2	94.18
	Total -	3	253.81
Per Share Value (In Rs.)			84.60

Market Price Method:

Sr.	Date	No. of Shares	Total Turnover (Rs.)
1	Wednesday, December 14, 2022	658	27248
2	Tuesday, December 13, 2022	1425	59278
3	Monday, December 12, 2022	1978	74627
4	Friday, December 9, 2022	38	1485
5	Thursday, December 8, 2022	1042	41981
6	Wednesday, December 7, 2022	392	16044
7	Tuesday, December 6, 2022	1006	41297
8	Monday, December 5, 2022	5265	220514
9	Friday, December 2, 2022	1748	71416
10	Thursday, December 1, 2022	1625	65167
11	Wednesday, November 30, 2022	1941	75974
12	Tuesday, November 29, 2022	2265	88851
13	Monday, November 28, 2022	2498	102573
14	Friday, November 25, 2022	547	22197
15	Thursday, November 24, 2022	72	2850
16	Wednesday, November 23, 2022	610	24901
17	Tuesday, November 22, 2022	45	1746
18	Monday, November 21, 2022	132	5233
19	Friday, November 18, 2022	869	35162
20	Thursday, November 17, 2022	404	16366
21	Wednesday, November 16, 2022	346	14018
22	Tuesday, November 15, 2022	317	12956
23	Monday, November 14, 2022	2864	117854
24	Friday, November 11, 2022	1665	65018
25	Thursday, November 10, 2022	18988	743254
26	Wednesday, November 9, 2022	4073	174152
27	Monday, November 7, 2022	7146	314761
28	Friday, November 4, 2022	7	355
29	Thursday, November 3, 2022	0	0
30	Wednesday, November 2, 2022	224	10875
31	Tuesday, November 1, 2022	102	5197
32	Monday, October 31, 2022	162	7756



Dinesh Kumar Deora
Registered Valuer - Securities or Financial Assets
IBBI Registration Number IBBI/RV/03/2019/12711
ICSI RVO COP Number ICSIRVO/SFA/73

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
 Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

33	Friday, October 28, 2022	1396	69237
34	Thursday, October 27, 2022	1297	61582
35	Tuesday, October 25, 2022	794	39697
36	Monday, October 24, 2022	602	29183
37	Friday, October 21, 2022	138	6517
38	Thursday, October 20, 2022	70	3398
39	Wednesday, October 19, 2022	820	38553
40	Tuesday, October 18, 2022	408	20188
41	Monday, October 17, 2022	49	2431
42	Friday, October 14, 2022	0	0
43	Thursday, October 13, 2022	620	30513
44	Wednesday, October 12, 2022	359	18101
45	Tuesday, October 11, 2022	789	37818
46	Monday, October 10, 2022	841	42726
47	Friday, October 7, 2022	9	444
48	Thursday, October 6, 2022	4	198
49	Tuesday, October 4, 2022	283	13637
50	Monday, October 3, 2022	37	1831
51	Friday, September 30, 2022	30	1488
52	Thursday, September 29, 2022	1103	56429
53	Wednesday, September 28, 2022	503	25134
54	Tuesday, September 27, 2022	62	3137
55	Monday, September 26, 2022	145	7263
56	Friday, September 23, 2022	256	12544
57	Thursday, September 22, 2022	258	12481
58	Wednesday, September 21, 2022	605	29854
59	Tuesday, September 20, 2022	1534	76305
60	Monday, September 19, 2022	937	46530
61	Friday, September 16, 2022	4061	206848
62	Thursday, September 15, 2022	2857	140667
63	Wednesday, September 14, 2022	2779	139766
64	Tuesday, September 13, 2022	2432	120483
65	Monday, September 12, 2022	3097	157924
66	Friday, September 9, 2022	112	5845
67	Thursday, September 8, 2022	4072	211736
68	Wednesday, September 7, 2022	1197	61859
69	Tuesday, September 6, 2022	785	39608
70	Monday, September 5, 2022	1376	67912
71	Friday, September 2, 2022	162	7895
72	Thursday, September 1, 2022	860	43236
73	Tuesday, August 30, 2022	2230	111237



Dinesh Kumar Deora
Registered Valuer - Securities or Financial Assets
IBBI Registration Number IBBI/RV/03/2019/12711
ICSI RVO COP Number ICSIRVO/SFA/73

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
 Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

74	Monday, August 29, 2022	109	5098
75	Friday, August 26, 2022	998	46657
76	Thursday, August 25, 2022	2133	103904
77	Wednesday, August 24, 2022	204	9877
78	Tuesday, August 23, 2022	19	916
79	Monday, August 22, 2022	1075	51737
80	Friday, August 19, 2022	2016	101212
81	Thursday, August 18, 2022	776	38704
82	Wednesday, August 17, 2022	1038	50499
83	Tuesday, August 16, 2022	2705	137241
84	Friday, August 12, 2022	15347	890263
85	Thursday, August 11, 2022	6361	365188
86	Wednesday, August 10, 2022	31	1606
87	Monday, August 8, 2022	1322	68726
88	Friday, August 5, 2022	112	5225
89	Thursday, August 4, 2022	306	15457
90	Wednesday, August 3, 2022	113	5751
Total -		135088	6361402
Average -			47.09

Profit Earning Capacity Value (PECV) Method:

Valuation of Equity Shares based on Profit Earning Capacity Value (PECV)			
Period	Profit After Tax	No. of Equity Shares	Earning Per Share (EPS)
01.04.2019 to 31.03.2020	(112,128,000)	3,332,750	(33.64)
01.04.2020 to 31.03.2021	(13,369,000)	3,332,750	(4.01)
01.04.2021 to 31.03.2022	43,607,000	3,332,750	13.08
Average -			13.08
Per Share Value (Industry Average Price Earning Ratio) based on same line of activity : Industry : Textile - Products Sources: Capital Market Magazine, Edition: December 12, 2022 - December 25, 2022, Page No. 57)			12.20
Value per Share based on Earning Based Valuation			159.63
<i>Note: The Profit after tax for the financial year 2020 and 2021 is negative, hence it is not considered for the purpose of the Valuation.</i>			



Dinesh Kumar Deora
Registered Valuer - Securities or Financial Assets
IBBI Registration Number IBBI/RV/03/2019/12711
ICSI RVO COP Number ICSIRVO/SFA/73

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097

Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

SLST Industries Limited

Statement of Pre-operative Expenses for the period ended September 30, 2022:

Sr. No	Particulars	Amount (Rs. In Lakhs)
1	Depository Service Charges	0.08
2	Transfer Agent initial fees	0.00
3	Audit Fees	0.00
4	Other Expenses	0.56
	Total of Pre-operative Expenses	0.64



Dinesh Kumar Deora
Registered Valuer – Securities or Financial Assets
IBBI Registration Number IBBI/RV/03/2019/12711
ICSI RVO COP Number ICSIRVO/SFA/73

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
 Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

Balance Sheet as at September 30, 2022 and March 31, 2022

(Rs. In Lakhs)

Sr. No	Particulars	As at 30 th September 2022	As at 31st March 2022
	Assets		
1	Non-Current Assets:		
a	Property, Plant and Equipment	0.00	0.00
b	Other Intangible assets	0.00	0.00
c	Financial Assets	0.00	0.00
d	Other Non- Current Assets	3.87	3.24
	Total Non -Current Assets	3.87	3.24
2	Current Assets :		
a	Inventories	0.00	0.00
b	Financial Assets:		
(i)	Trade Receivables	0.00	0.00
(ii)	Cash and Cash Equivalents	0.51	0.14
(iii)	Bank balance other than (ii) above	0.00	0.00
(iv)	Security Deposits	0.00	0.00
c	Current Tax Assets (Net)	0.00	0.00
d	Other Current Assets	0.00	0.00
	Total Current Assets	0.51	0.14
	Total Assets	4.38	3.38
	Equity and Liabilities		
1	Equity		
a	Equity Share Capital	1.08	1.08
b	Other Equity	0.00	0.00
	Total Equity	1.08	1.08
2	Liabilities		
A	Non-Current Liabilities :		
	Deferred tax liabilities (Net)	0.00	0.00
	Total Non-Current Liabilities :	0.00	0.00
B	Current Liabilities :		
a	Financial Liabilities		
i	Borrowings	3.00	2.00
	Trade Payables		
ii	- Dues to micro and small enterprises	0.00	0.00
	- Dues to other than micro and small enterprises	0.00	0.00
iii	Other financial liabilities	0.00	0.00
b	Provisions	0.30	0.30
c	Current Tax Liabilities (Net)	0.00	0.00
	Total Current Liabilities	3.30	2.30
	Total Equity and Liabilities	4.38	3.38



Dinesh Kumar Deora
Registered Valuer – Securities or Financial Assets
IBBI Registration Number IBBI/RV/03/2019/12711
ICSI RVO COP Number ICSIRVO/SFA/73

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097
 Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

ANNEXURE II

The valuation report shall display the workings, relative fair value per share and fair share exchange ratio in the following manner:

Computation of Fair Share Exchange Ratio

Valuation Method	Sri Lakshmi Saraswathi Textiles (Arni) Limited		SLST Industries Limited	
	Value per Share	Weight	Value per Share	Weight
Profit Earning Capacity Value (PECV) Method	159.63	1	-	-
Market Price Method	47.09	2	-	-
Net Asset Value Method	-	-	9	1
Total -	253.81	3	9	1
Relative Value per Share before Split	84.60		9	
Relative Value per Share after Split	8.46		9	
Exchange Ratio (rounded off)			1	

Reasons for not considering Valuation Methods :

1. Profit Earning Capacity Value (PECV) Method

SLST Industries Limited

The SLST Industries Limited is newly incorporated Company formed as a special purpose vehicle to absorb Mill B of Sri Lakshmi Saraswathi Textiles (Arni) Limited into it. Further, SLST Industries Limited is yet to start its operation and hence we have not considered PECV Method.

2. Market Price Method

SLST Industries Limited

As the Company is not listed on any of the stock exchange, we have not considered this method to calculate SWAP ratio and fair value per share.

3. Net Asset Value (NAV) Method

Sri Lakshmi Saraswathi Textiles (Arni) Limited

The NAV of Sri Lakshmi Saraswathi Textiles (Arni) Limited is negative and therefore we have not considered NAV method to calculate value of shares.

Ratio :

The Resulting Company shall issue and allot 1 (One only) Equity Share of Face Value of Rs. 9/- (Rupees Nine Only) each, credited as fully paid-up of the Resulting Company for every 1 (One only) Equity Shares



Dinesh Kumar Deora

Registered Valuer – Securities or Financial Assets

IBBI Registration Number IBBI/RV/03/2019/12711

ICSI RVO COP Number ICSIRVO/SFA/73

ADDRESS: # 205, NADIADWALA MARKET, PODDAR ROAD, MALAD (EAST), MUMBAI-400097

Tel No. : 022-28443641 Email: dinesh.deora@yahoo.com

of Face Value of Re. 1/- (Rupee One only) each fully paid-up, held by the Equity shareholders in the Demerged Company.



Dinesh Kumar Deora

REGISTERED VALUER: Securities or Financial Assets

IBBI Registration Number IBBI/RV/03/2019/12711

ICSI RVO COP Number: ICSIRVO/SFA/73



Place: Mumbai

Date: 15-12-2022

Annexure

3



January 20, 2023

MCAPL: MUM: 2022-23: 0162

To,
The Board of Directors
Sri Lakshmi Saraswathi Textiles (ARNI) Limited
16, Krishnama Road, Nungambakkam,
Chennai-600 034
Tamil Nadu.

Sub : Fairness Opinion Certificate on the Valuation of shares in the matter of proposed Demerger of Sri Lakshmi Saraswathi Textiles (ARNI) Limited ("SLSTL"/"Demerged Company") into SLST Industries Limited ("SLST"/"Resulting Company")

Dear Sir,

We refer to the Fairness Opinion Certificate issued by us on April 29, 2022 and in connection with the Valuation Report issued by Mr. **Dinesh Kumar Deora**, Registered Valuer having IBBI Registration Number IBBI/RV/03/2019/12711 (hereinafter referred to as "**the Valuer**") on April 29, 2022. Accordingly, "**the Valuer**" has issued an updated Valuation Report on December 15, 2022 and hence our Fairness Opinion Certificate thereof.

OUR RECOMMENDATION

The effect of the Scheme is that shareholder of the Demerged Company becomes the beneficial economic owner of the shares in the Resulting Company, in the same proportion as explained in the Scheme.

Based on the above, all the current shareholders of the Demerged Company are and will, upon demerger, be the ultimate beneficial owners of the Resulting Company upon allotment of equity shares by the Resulting Company in the proposed Share Entitlement Ratio.

As stated in the Valuation Opinion by the Registered Valuer, they have recommended the following:

"In consideration for the Demerger of Demerged undertaking, SLST Industries Limited propose to issue 1 (One) fully paid up equity shares of face value of Rs. 9 each for every 1 (one) fully paid up equity shares of face value of Re. 1 each held in Demerged Company."

As afforested, Equity Shares to be issued by the Resulting Company to the shareholders of the Demerged Company will be listed and/or admitted to trading on stock exchanges on which shares of SLSTL are listed.

The aforesaid Demerger shall be pursuant to the Scheme and shall be subject to receipt of approval from BSE Limited, Securities and Exchange Board of India, National Company Law Tribunal or such other competent authority as may be applicable and other approval as may be required from shareholder, creditors etc. We have issued the Fairness Opinion with the understanding that the Scheme provided to us shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of the Arrangement alters the transaction.



MARK CORPORATE ADVISORS PVT. LTD.

Page 1 of 2

CIN No : U67190MH2008PTC181996
GSTIN/UIN : 27AAF5379J1ZY

404/1, The Summit Business Bay, Sant Janabai Road, (Service Lane), Off. W. E. Highway, Vile Parle (E), Mumbai - 400 057
Tele : +91 22 2612 3207 Fax : +91 22 2612 3208 Web : www.markcorporateadvisors.com E-mail : info@markcorporateadvisors.com



As per the Scheme, having regard to all relevant factors and on the basis of information and explanations given to us, including the Valuation Opinion, we are of the opinion on the date hereof, that the proposed Share Entitlement Ratio as recommended by the Registered Valuer is fair to the equity shareholders of the Demerged Company.

For Mark Corporate Advisors Private Limited


Rajendra Kanoongo
Jt. Managing Director

Place: Mumbai

MARK CORPORATE ADVISORS PVT. LTD.

Page 2 of 2

CIN No : U67190MH2008PTC181996
GSTIN/UIN : 27AAF5379J1ZY

404/1, The Summit Business Bay, Sant Janabai Road, (Service Lane), Off. W. E. Highway, Vile Parle (E), Mumbai - 400 057
Tele : +91 22 2612 3207 Fax : +91 22 2612 3208 Web : www.markcorporateadvisors.com E-mail : info@markcorporateadvisors.com

Annexure 4

S B S B AND ASSOCIATES
Chartered Accountants



Auditor's Certificate

To,
The Board of Directors,
Sri Lakshmi Saraswathi Textiles (Arni) Limited
16, Krishnama Road,
Nungambakkam, Chennai,
Tamil Nadu, 600 034.

We, the Statutory Auditors of Sri Lakshmi Saraswathi Textiles (Arni) Limited (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 11 of the Draft Scheme of Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (Arni) Limited ("the Demerged Company") and SLSI Industries Limited ("the Resultant Company") as per section 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of the Sri Lakshmi Saraswathi Textiles (Arni) Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to BSE Limited. This Certificate should not be used for any other purpose without our prior written consent.

For
M/s. S B S B and Associates
Chartered Accountants
Firm Registration No.: 012192S

D. Sharat Kumar
Partner
Membership Number: 024568
Place: Chennai
Date: 28th April 2022
UDIN :22024568AHYRKZ7859



M/s. S.VISWANATHAN LLP

CHARTERED ACCOUNTANTS

Regd. Off : 17, Bishop Wallers Avenue (West), Mylapore, Chennai - 600 004

Tel: 91-44-24991147, 24994423, 24994510

email: adminchennai@sviswallp.in

Firm Registration No. 004770S / S200025 GSTIN: 33AAAFV0367K1Z7

Auditor's Certificate

To,
The Board of Directors,
SLST Industries Limited
New No.16,Old No.17,
Krishnama Road,
Nungambakkam, Chennai,
Tamil Nadu, 600 034.

April 28, 2022

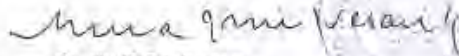
We, the Statutory Auditors of SLST Industries Limited (hereinafter referred to as "the **Company**"), have examined the proposed accounting treatment specified in clause 12 of the Draft Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (Am) Limited ("the Demerged Company") and SLST Industries Limited ("the Resultant Company") as per section 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of the SLST Industries Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to BSE Limited. This Certificate should not be used for any other purpose without our prior written consent.

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



Chella K Srinivasan
Partner
Membership number: 023305

UDIN: 22023305AIBHRR4925

Branches:

27/34, 2nd Floor, Nandidurg Road, Jayamahar Extension, Bangalore - 560 046

Tel: 91-80-23530535 GSTIN: 29AAAFV0367K1ZW

4/5, Sri Krishna Villas, Kongu Nagar, Ramanathapuram, Coimbatore - 641 045 Tel: 91-422-4367065

Annexure 5

M/s. S.VISWANATHAN LLP

CHARTERED ACCOUNTANTS

Regd. Off : 17, Bishop Wallers Avenue (West), Mylapore, Chennai - 600 004

Tel: 91-44-24991147, 24994423, 24994510

email: adminchennai@sviswallp.in

Firm Registration No. 004770S / S200025 GSTIN: 33AAAFV0367K1Z7

Auditor's Certificate

To,
The Board of Directors,
SLST Industries Limited
New No.16,Old No.17,
Krishnama Road,
Nungambakkam, Chennai,
Tamil Nadu, 600 034.

April 28, 2022

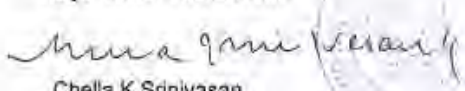
We, the Statutory Auditors of SLST Industries Limited(hereinafter referred to as "the **Company**"), have examined the proposed accounting treatment specified in clause 12of the Draft Scheme of Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (Am) Limited ("the Demerged Company") and SLST Industries Limited ("the Resultant Company") as per section 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circ^{rs} issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of the SLST Industries Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to BSE Limited. This Certificate should not be used for any other purpose without our prior written consent.

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


Chella K Srinivasan
Partner

Membership number: 023305

UDIN: 22023305AIBHRR4925

Branches:

27/34, 2nd Floor, Nandidurg Road, Jayamahar Extension, Bangalore - 560 046

Tel: 91-80-23530535 GSTIN: 29AAAFV0367K1ZW

4/5, Sri Krishna Villas, Kongu Nagar, Ramanathapuram, Coimbatore - 641 045 Tel: 91-422-4367065

Annexure 6



Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

REPORT OF THE AUDIT COMMITTEE OF SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED RECOMMENDING THE SCHEME OF ARRANGEMENT BETWEEN SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED ("THE DEMERGED COMPANY") AND SLST INDUSTRIES LIMITED ("THE RESULTANT COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Members Present:

Mr. J M Grover	Chairman of the Audit Committee
Mr. S Sridhara Rao	Member of the Audit Committee
Ms. Sivarani Jakkayan	Member of the Audit Committee

In Attendance:

Mr. Jitendra Kumar Pal	Company Secretary
------------------------	-------------------

1. BACKGROUND

- 1.1. A meeting of the Audit Committee ("**Committee**") of Sri Lakshmi Saraswathi Textiles (Arni) Limited was held on April 29, 2022 to consider and, if thought fit, recommend to the Board of Directors of the Company, the proposed Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (Arni) Limited ("**the Demerged Company**") and SLST Industries Limited ("**the Resulting Company**") and their respective Shareholders and Creditors as per section 230 to 232 of the Companies Act, 2013.
- 1.2. The Demerged Company is a Public Limited Company and was incorporated on 2nd May 1964 under the Companies Act, 1956 in the State of Tamil Nadu. The Equity Shares of the Demerged Company are listed and traded on BSE Limited (BSE).
- 1.3. The Resulting Company is an Unlisted Public Limited Company limited by shares and was incorporated on 4th October 2018 under the Companies Act, 2013, in the State of Tamil Nadu. The Resulting Company is formed with intention to absorb the B Mill ("**Demerged Undertaking**") of the Demerged Company which has installed capacity of 35,088 Ring Spindles pursuant to Scheme of Arrangement ("**Demerger**").
- 1.4. The proposed Scheme provides for demerger of **B Mill**, a Spinning Mill with installed capacity of 35,088 Ring Spindles, manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (Demerged Undertaking) of the Company (Demerged Company) and inter-alia transfer and vest in the Resulting Company pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules and regulations made thereunder including any statutory modifications, re-enactments or amendments made thereto from time to time (the "**Scheme**") in accordance with SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time ("**SEBI Circular**"). The Scheme further provides that **A Mill**, a Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (Remaining Undertaking) of the Company will remain with the Company (Demerged Company).



Regd. Off. : 16, Krishnama Road, Nungambakkam, Chennai - 600 034, India
 Phone: 91-44-28277344 / 28270548 E-mail : slst@slstarni.com
 Web : www.slstindia.com





Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

- 1.5. The Scheme is subject to receipt of approvals of Board of Directors, shareholders and creditors of companies involved and approval of other regulatory authorities as may be required, including those of BSE, Securities and Exchange Board of India and the NCLT.
- 1.6. This report of the Committee is made in order to comply with the requirements the Master circular being circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021("SEBI Circulars") and after considering the following documents that were placed before the Committee:
 - i. The Draft Scheme of Arrangement;
 - ii. The Certificate issued by M/s. S B S B and Associates, Chartered Accountants, the Statutory Auditors of the Company, pursuant to Part- I paragraph A.5 as prescribed in Annexure I of the SEBI Circular, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles;
 - iii. Valuation Report dated 29th April, 2022, issued by Mr. Dinesh Kumar Deora, (Registered Valuer- Securities or Financial Assets) IBBI Registration No.IBBI/RV/03/2019/127111("Registered Valuer")in relation to the shares to be issued by the Resulting Company to the Shareholders of the Demerged Company pursuant to the Scheme;
 - iv. Fairness Opinion Report dated 29th April, 2022 issued by Mark Corporate Advisors Private Limited, SEBI Registered Merchant Banker on the said Valuation Report;
 - v. Unaudited Financial Statements dated December 31, 2021 and Audited Financial Statements for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 of the Demerged Company;
 - vi. Audited Financial Statements for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 of the Resulting Company;
 - vii. Pre and Post Scheme Shareholding Pattern of the Demerged Company and the Resulting Company.

2. PROPOSED SCHEME OF ARRANGEMENT AND DEMERGER

2.1 The Salient features of the Scheme:

The Scheme of arrangement, inter- alia, provides the following:

- i. The Demerged Company has the following Undertakings:
 - **B Mill:** A Spinning Mill with installed capacity of 35,088 Ring Spindles, manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (**DEMERGED UNDERTAKING**) and



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- **A Mill:** A Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu **(REMAINING UNDERTAKING)**.
- ii. The Scheme inter-alia provides for the transfer of B Mill of the Demerged Company and vesting of the same in the Resulting Company.
- iii. The Appointed Date of the Scheme is 1st April, 2021 and Effective date is the later of the dates on which the certified copies of the Order(s) of the Court or Tribunal sanctioning this Scheme of Arrangement (Demerger) are filed with the Registrar of Companies, Tamil Nadu Chennai by the Demerged Company and the Resulting Company.
- iv. **Split of Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company:** The Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company is Rs. 3,33,27,500/- (Rupees Three Crore Thirty Three Lakhs Twenty Seven Thousand and Five Hundred Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Rs. 10/- (Rupees Ten Only) each fully paid up. It is proposed to Split the Share Capital of the Company between the Demerged Company and the Resulting Company as follows:
 - **Demerged Company:** Rs. 33,32,750/- (Rupees Thirty Three Lakhs Thirty Two Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Re. 1/- (Rupees One Only) each fully paid up.
 - **Resulting Company:** Rs. 2,99,94,750/- (Rupees Two Crores Ninety-Nine Lakhs Ninety-Four Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Rs. 9/- (Rupees Nine Only) each fully paid up.
- v. The Equity Shares of the Demerged Company shall continue to be listed on BSE Limited ("Stock Exchange") and the Demerged Company shall make necessary applications to BSE Limited, pursuant to the Scheme coming into effect, to note consequential changes due to reorganization of the share capital of the Demerged Company.
- vi. Subsequent to the sanction of the Scheme, the Resulting Company will make an application for listing of its equity shares, including the New Equity Shares on the stock exchange in which the shares of the Demerged Company are listed, in pursuance to the relevant regulations including, the SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 including any amendments, if any issued by SEBI in relation to application under sub-rule (7) of Rule 19 of the Securities Contract Regulation Rules, 1957 for relaxing strict enforcement of Clause (b) to sub-rule (2) of Rule 19 of the said rules.



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- vii. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company in terms of Part-B of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to the equity shareholders of the Demerged Company, whose name is recorded in the register of members and records of the depositories as members of the Demerged Company, as on the Record Date, 1 (one) equity share of Rs. 9/- (Rupees Nine only) each of the Resulting Company credited as fully paid-up for every 1 (one) equity share of Re.1/- (Rupee One only) each held by such shareholder of the Demerged Company ("New Equity Shares").

2.2 Need and Rationale of the Scheme of Demerger/ Arrangement:

The Audit Committee noted the rationale and need of Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (Arni) Limited ("the **Demerged Company**") and SLST Industries Limited ("the **Resulting Company**") as under:

- i. The Demerged Company is presently having installed capacity of 33,360 Ring Spindles in A Mill and 35,088 Ring Spindles in B Mill. A Mill is manufacturing all varieties of 100% cotton yarn of fine counts used for manufacture of fine varieties cloths and the products which are marketed mainly in up countries where power looms are operated in large scale and B Mill is manufacturing all varieties of cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market such as Erode, Tirupur and Pallipalayam in Tamil Nadu and other markets in the State of Maharashtra. The Resulting Company is formed with intention to absorb the transfer, demerge the B Mill (Demerged Undertaking) of the Demerged Company which has installed capacity of 35,088 Ring Spindles pursuant to Scheme of arrangement (Demerger). The Resulting Company would be focusing on mainly manufacturing all varieties of cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market. The Resulting Company will be concentrating on manufacturing of yarn suitable for manufacture of Suiting Cloth and Knitted Fabrics. Its products will continue to be marketed in the domestic market in Erode, Tirupur and Pallipalayam in Tamilnadu. Since the Resulting Company will be manufacturing yarns of different kind, garments, athletic wear, other products in the textile value chain and market them in different area and in order to manage both the Mills efficiently and in a focused manner and to improve the overall performance of both the Mills, the management of Demerged Company has considered it necessary to demerge, transfer and vest the B Mill of the Demerged Company, as a going concern into the Resulting Company.
- ii. The Scheme if implemented will facilitate a separate and better management focus for both the Demerged Company and the Resulting Company on their respective units and thereby provide the distinct competencies required for achieving full potential, in order to meet the betterment of their respective customers, their needs, priorities and thereby eliminating any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success.



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- iii. Further the proposed Scheme of Arrangement (Demerger) is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholders value and to achieve higher long-terms financial returns.
- iv. The Scheme will contribute in furthering and fulfilling the objects of the companies concerned.
- v. The Scheme will enable both the Demerged and Resulting Companies to carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests. The Scheme will enable both the Companies to take advantage of the opportunities foreseen in their respective businesses and to assist in the exploitation and realization of the full potential in the respective businesses and implement schemes of modernization, technology upgradation, expansion, diversification etc.,
- vi. After the implementation of the Scheme, there will be Inter-se Transfer amongst the Promoter/ Promoter Group.
- vii. The Scheme will result in business synergies, synergies in operational process and creation of efficiencies by reducing time to market and benefiting customers as well as optimization of operation and capital expenditure.
- viii. The Reorganization of the Equity Share Capital of the Demerged Company as proposed in this scheme would be utilized to adjust the accumulated losses of the Demerged Company, so as to enable the reflection of the true and accurate financial position of the Demerged Company. The Reorganization of the Share Capital would enable and facilitate the streamlining of the financial position of the Demerged Company and also permit invitation for further debt or equity infusion. The Reorganization of the Share Capital would not prejudice any of the stakeholders and would be in the best interest of the stakeholders.
- ix. The Scheme is in interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either Demerged Company or Resulting Company would be prejudiced as a result of the Scheme of Arrangement and the Scheme will have beneficial results for the companies, their shareholders and employees and is also in general public interest.

2.3 Synergies of business of the entities involved in the Scheme: The synergies of business of the entities involved in the Scheme are set out in Point No. 2.2 above.

2.4 Impact of the scheme on the shareholders:

The proposed Scheme will enable both the Demerged Company and Resulting Company to carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests.



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The Audit Committee also noted that the Scheme is subject to the majority approval of the public shareholders of the Company. The Audit Committee was of the opinion that the Scheme is not detrimental to the interests of the shareholders of the Company.

2.5 Cost benefit analysis of the Scheme:

The Committee has reviewed in detail the costs associated with regards to the implementation of demerger. Except the transaction cost, there are no additional costs involved for the proposed restructuring. However, the benefits of the Scheme over a longer period are expected to far outweigh such costs for the stakeholders of the Scheme entities.

3. RECOMMENDATION OF THE AUDIT COMMITTEE

Taking into consideration the documents stated herein above, the Audit Committee recommends the draft Scheme of Arrangement for favorable consideration by the Board of Directors of the Company, BSE Limited, the Securities and Exchange Board of India, NCLT and other applicable Regulatory authorities.

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

(J M Grover)
Chairman of the Audit Committee



Date: 29th April, 2022
Place: Chennai

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Annexure 7



Sri Lakshmi Saraswathi Textiles (Arni) Limited

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REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED RECOMMENDING THE SCHEME OF ARRANGEMENT BETWEEN SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED ("THE DEMERGED COMPANY") AND SLST INDUSTRIES LIMITED ("THE RESULTING COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

Members Present:

Mr. J M Grover	Chairman and Independent Director
Mr. S Sridhara Rao	Independent Director

BACKGROUND

1. A meeting of the Committee of Independent Directors ("**ID Committee**") of Sri Lakshmi Saraswathi Textiles (Arni) Limited was held on April 29, 2022 to consider and, if thought fit, recommend to the Board of Directors of the Company, the proposed Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (Arni) Limited ("**the Demerged Company**") and SLST Industries Limited ("**the Resulting Company**") and their respective Shareholders and Creditors as per section 230 to 232 of the Companies Act, 2013.
2. The Demerged Company is a Public Limited Company and was incorporated on 02nd May 1964 under the Companies Act, 1956 in the State of Tamil Nadu. The Equity Shares of the Demerged Company are listed and traded on BSE Limited ("**BSE**").
3. The Resulting Company is an Unlisted Public Limited Company limited by shares and was incorporated on 04th October 2018 under the Companies Act, 2013, in the State of Tamil Nadu. The Resulting Company is formed with intention to absorb the B Mill ("**Demerged Undertaking**") of the Demerged Company which has installed capacity of 35,088 Ring Spindles pursuant to Scheme of Arrangement ("**Demerger**").
4. The proposed Scheme provides for demerger of **B Mill**, a Spinning Mill with installed capacity of 35,088 Ring Spindles, manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (Demerged Undertaking) of the Company (Demerged Company) and inter-alia transfer and vest in the Resulting Company pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules and regulations made thereunder including any statutory modifications, re-enactments or amendments made thereto from time to time (the "**Scheme**") in accordance with SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time ("**SEBI Circular**"). The Scheme further provides that **A Mill**, a Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (Remaining Undertaking) of the Company will remain with the Company (Demerged Company).

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5. The Scheme is subject to receipt of approvals of board of directors, shareholders and creditors of companies involved and approval of other regulatory authorities as may be required, including those of BSE, Securities and Exchange Board of India and the NCLT.
6. The Scheme will be filed with the National Company Law Tribunal, Chennai Bench, having jurisdiction on the ("NCLT") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations issued there under and in compliance with provisions of Section 2(1B) of the Income-tax Act, 1961.
7. This report of the Committee is made in order to comply with the requirements of Master circular being circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time ("SEBI Circular").
8. The ID Committee has discussed and noted that the Audit Committee has recommended the approval of the draft Scheme and made this report after considering the following documents that were placed before the Committee:

8.1. The Draft Scheme of Arrangement;

8.2. The Certificate issued by M/s. S B S B and Associates, Chartered Accountants, the Statutory Auditors of the Company, pursuant to Part- I paragraph A.5 as prescribed in Annexure I of the SEBI Circular, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles;

8.3. Valuation Report dated 29th April, 2022, issued by Mr. Dinesh Kumar Deora, (Registered Valuer- Securities or Financial Assets) IBBI Registration No. IBBI/RV/03/2019/12711 ("Registered Valuer") inter alia, recommending the fair share exchange ratios on the Draft Scheme;

8.4. Fairness Opinion dated 29th April, 2022 issued by Mark Corporate Advisors Private Limited, SEBI Registered Merchant Banker on their fair share exchange ratio recommended in the Valuation Report for the purpose of the Scheme;

8.5. Unaudited Financial Statements dated December 31, 2021 and Audited Financial Statements for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 of the Demerged Company;

8.6. Audited Financial Statements for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 of the Resulting Company;

8.7. Pre and Post Scheme Shareholding Pattern of the Demerged Company and the Resulting Company.

S. S.



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PROPOSED SCHEME OF ARRANGEMENT (DEMERGER)

The Independent Directors have reviewed the Draft Scheme, further they reviewed the Valuation Report and noted the recommendation made therein. They also noted the Fairness Opinion Report which has confirmed that the Valuation Report is fair.

1. The Salient features of the Scheme:

The Scheme of arrangement, inter- alia, provides the following:

- i. The Demerged Company has the following Undertakings:
 - **B Mill:** A Spinning Mill with installed capacity of 35,088 Ring Spindles, manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (**DEMERGED UNDERTAKING**) and
 - **A Mill:** A Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (**REMAINING UNDERTAKING**).
- ii. The Scheme inter-alia provides for the transfer of B Mill of the Demerged Company and vesting of the same in the Resulting Company.
- iii. The Appointed Date of the Scheme is 1st April, 2021 and Effective date is the later of the dates on which the certified copies of the Order(s) of the Court or Tribunal sanctioning this Scheme of Arrangement (Demerger) are filed with the Registrar of Companies, Tamil Nadu Chennai by the Demerged Company and the Resulting Company.
- iv. **Split of Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company:** The Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company is Rs. 3,33,27,500/- (Rupees Three Crore Thirty Three Lakhs Twenty Seven Thousand and Five Hundred Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Rs. 10/- (Rupees Ten Only) each fully paid up. It is proposed to Split the Share Capital of the Company between the Demerged Company and the Resulting Company as follows:
 - **Demerged Company:** Rs. 33,32,750/- (Rupees Thirty Three Lakhs Thirty Two Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Re. 1/- (Rupees One Only) each fully paid up.
 - **Resulting Company:** Rs. 2,99,94,750/- (Rupees Two Crores Ninety-Nine Lakhs Ninety-Four Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Rs. 9/- (Rupees Nine Only) each fully paid up.



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- v. The Equity Shares of the Demerged Company shall continue to be listed on BSE Limited ("Stock Exchange") and the Demerged Company shall make necessary applications to BSE Limited, pursuant to the Scheme coming into effect, to note consequential changes due to reorganization of the share capital of the Demerged Company.
- vi. Subsequent to the sanction of the Scheme, the Resulting Company will make an application for listing of its equity shares, including the New Equity Shares on the stock exchange in which the shares of the Demerged Company are listed, in pursuance to the relevant regulations including, the SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 including any amendments, if any issued by SEBI in relation to application under sub-rule (7) of Rule 19 of the Securities Contract Regulation Rules, 1957 for relaxing strict enforcement of Clause (b) to sub-rule (2) of Rule 19 of the said rules.
- vii. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company in terms of Part-B of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to the equity shareholders of the Demerged Company, whose name is recorded in the register of members and records of the depositories as members of the Demerged Company, as on the Record Date, 1 (one) equity share of Rs. 9/- (Rupees Nine only) each of the Resulting Company credited as fully paid-up for every 1 (one) equity share of Re.1/- (Rupee One only) each held by such shareholder of the Demerged Company ("New Equity Shares").

2. Need and Rationale of the Scheme of Demerger/ Arrangement:

- i. The Demerged Company is presently having installed capacity of 33,360 Ring Spindles in A Mill and 35,088 Ring Spindles in B Mill. A Mill is manufacturing all varieties of 100% cotton yarn of fine counts used for manufacture of fine varieties cloths and the products which are marketed mainly in up countries where power looms are operated in large scale and B Mill is manufacturing all varieties of cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market such as Erode, Tirupur and Pallipalayam in Tamil Nadu and other markets in the State of Maharashtra. The Resulting Company is formed with intention to absorb the transfer, demerge the B Mill (Demerged Undertaking) of the Demerged Company which has installed capacity of 35,088 Ring Spindles pursuant to Scheme of arrangement (Demerger). The Resulting Company would be focusing on mainly manufacturing all varieties of cotton and polyester blended medium count yarn both for weaving and knitting, catering the domestic market. The Resulting Company will be concentrating on manufacturing of yarn suitable for manufacture of Suiting Cloth and Knitted Fabrics. Its products will continue to be marketed in the domestic market in Erode, Tirupur and Pallipalayam in Tamilnadu. Since the Resulting Company will be manufacturing yarns of different kind, garments, athletic wear, other products in the textile value chain and market them in different area and in order to manage both the Mills efficiently and in a focused manner and to improve the overall performance of both the Mills, the management of Demerged Company has considered it necessary to demerge, transfer and vest the B Mill of the Demerged Company, as a going concern into the Resulting Company.



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- ii. The Scheme if implemented will facilitate a separate and better management focus for both the Demerged Company and the Resulting Company on their respective units and thereby provide the distinct competencies required for achieving full potential, in order to meet the betterment of their respective customers, their needs, priorities and thereby eliminating any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success.
- iii. Further the proposed Scheme of Arrangement (Demerger) is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholders value and to achieve higher long-terms financial returns.
- iv. The Scheme will contribute in furthering and fulfilling the objects of the companies concerned.
- v. The Scheme will enable both the Demerged and Resulting Companies to carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests. The Scheme will enable both the Companies to take advantage of the opportunities foreseen in their respective businesses and to assist in the exploitation and realization of the full potential in the respective businesses and implement schemes of modernization, technology upgradation, expansion, diversification etc.,
- vi. After the implementation of the Scheme, there will be Inter-se Transfer amongst the Promoter/ Promoter Group.
- vii. The Scheme will result in business synergies, synergies in operational process and creation of efficiencies by reducing time to market and benefiting customers as well as optimization of operation and capital expenditure.
- viii. The Reorganization of the Equity Share Capital of the Demerged Company as proposed in this scheme would be utilized to adjust the accumulated losses of the Demerged Company, so as to enable the reflection of the true and accurate financial position of the Demerged Company. The Reorganization of the Share Capital would enable and facilitate the streamlining of the financial position of the Demerged Company and also permit invitation for further debt or equity infusion. The Reorganization of the Share Capital would not prejudice any of the stakeholders and would be in the best interest of the stakeholders.
- ix. The Scheme is in interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either Demerged Company or Resulting Company would be prejudiced as a result of the Scheme of Arrangement and the Scheme will have beneficial results for the companies, their shareholders and employees and is also in general public interest.



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3. Scheme not detrimental to the shareholders of the Company

The ID Committee discussed the rationale in detail, salient features and expected benefits of the Scheme. The ID Committee noted that the proposed Scheme will enable both the Demerged Company and Resulting Company to carry on their respective businesses separately more conveniently and advantageously with an independent management set-up, greater focus, attention and specialization. The Scheme would also enable the promoters to achieve aligning the businesses in accordance to family interests.

The ID Committee also opined that the Scheme is in the best interests of the shareholders of the Company and will not adversely affect the rights or interests of the shareholders of the Company.

In view of the above, the Independent Directors are of the opinion that the draft Scheme is not detrimental to the interests of the shareholders of the Company.

4. Recommendation of the Committee of Independent Directors

Taking into consideration the documents stated herein above, the ID Committee recommends the draft Scheme of Arrangement for favorable consideration by the Board of Directors of the Company, BSE Limited, the Securities and Exchange Board of India, NCLT and other applicable Regulatory authorities.

for SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED


(J M Grover)
Chairman of the ID Committee



Date: 29th April, 2022
Place: Chennai

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Annexure

8



Sri Lakshmi Saraswathi Textiles (Arni) Limited

CIN : LT7111TN19B4PLC005183

CERTIFIED TRUE COPY OF RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED HELD ON FRIDAY, APRIL 29, 2022 AT THE REGISTERED OFFICE SITUATED AT 16, KRISHNAMAROAD, NUNGAMBAKKAM, CHENNAI- 600 034, TAMIL NADU AT 10.20 A.M.

APPROVAL OF SCHEME OF ARRANGEMENT BETWEEN SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED ("THE DEMERGED COMPANY") AND SLST INDUSTRIES LIMITED ("THE RESULTING COMPANY")

The Chairman placed before the Board of Directors of the Company (the "**Board**") the draft Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (Arni) Limited ("**the Demerged Company**" / "**the Company**") and SLST Industries Limited ("**the Resulting Company**") an Unlisted Public Limited Company incorporated on 04th October, 2018 under the Companies Act, 2013, in the State of Tamil Nadu for their approval which provides for demerger of B Mill, a Spinning Mill with installed capacity of 35,088 Ring Spindles, manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (Demerged Undertaking) of the Company (Demerged Company) and inter-alia transfer and vest in the Resulting Company pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules and regulations made thereunder including any statutory modifications, re-enactments or amendments made thereto from time to time (the "**Scheme**") in accordance with SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time ("**SEBI Circular**"). He informed that A Mill, a Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (Remaining Undertaking) of the Company will remain with the Company (Demerged Company).

He further informed that, the Scheme, if implemented will facilitate a separate and better management focus for both the Demerged Company and the Resulting Company on their respective units and thereby provide the distinct competencies required for achieving full potential, in order to meet the betterment of their respective customers, their needs, priorities and thereby eliminating any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success. Further, the proposed Scheme of Arrangement (Demerger) is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholders value and to achieve higher long-term financial returns.

The Chairman placed before the Board the following:

- a) Draft Scheme of Arrangement;
- b) Valuation Report issued by Mr. Dinesh Kumar Deora, (Registered Valuer- Securities or Financial Assets) in relation to the shares to be issued by the Company to the Shareholders of the Demerged Company pursuant to the Scheme;
- c) Fairness Opinion Report issued by Mark Corporate Advisors Private Limited, the Merchant Banker on the said Valuation Report;



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- d) Certificate issued by M/s.S B S B and Associates, Chartered Accountants, the Statutory Auditors of the Company, pursuant to Part- I paragraph A.5 as prescribed in Annexure I of the SEBI Circular, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles.
- e) Report explaining the effect of the scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders as required under the Companies Act 2013.

After deliberate discussions the following resolutions were passed:

RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act,2013 along with the rules and regulations issued thereunder, including any statutory modifications, re-enactments or amendments made thereto from time to time and in accordance with SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time ("SEBI Circular"), subject to the Memorandum of Association and Articles of Association of the Company, approval from BSE Limited ("BSE"), approval from Securities and Exchange Board of India ("SEBI"), approval from the members of the Company, approval from its creditors and subject to the sanction of the National Company Law Tribunal ("NCLT") constituted under the Companies Act, 2013, and subject to the approval of any other statutory or governmental authorities, the Draft Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (ARNI) Limited ("**the Demerged Company**")/ "**the Company**") and SLST Industries Limited, an Unlisted Public Limited Company incorporated on 04th October, 2018 under the Companies Act, 2013, in the State of Tamil Nadu ("**the Resulting Company**") their respective shareholders and creditors ("Scheme") placed before the Board and initialled by the Chairman for the purpose of identification be and is hereby approved with effect from April 01, 2021 being the appointed date.

RESOLVED FURTHER THAT the Company do take further steps for obtaining the requisite approvals of the shareholders and the creditors of the Company and other regulatory authorities and persons, whose consent is required under law for the Scheme and for that purpose to initiate all necessary actions including seeking appropriate directions from the NCLT for either dispensing with the requirement of convening meetings of the shareholders and/ or creditors of the Company or convening the meeting of the shareholders and/ or creditors of the Company and other concerned persons/ parties and to take all other consequential steps in that behalf, including the preparation and circulation of the notices and explanatory statements, and filing of all other documents required to be filed in this connection.

RESOLVED FURTHER THAT for the purpose of the Scheme and for determining the share exchange ratio, the recommendation of Audit Committee, the recommendation of the Committee of Independent Directors, the Valuation Report issued by Mr. Dinesh Kumar Deora, (Registered Valuer- Securities or Financial Assets) and Fairness Opinion issued by Mark Corporate Advisors Private Limited on the said Valuation Report, submitted to the meeting and signed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.



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Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN L17111TN1964PLC005183"

RESOLVED FURTHER THAT upon sanction of the said Scheme by the NCLT and upon the Scheme becoming effective, the Issued, Subscribed and Paid-up Equity Share Capital of the Company of Rs. 3,33,27,500/- (Rupees Three Crore Thirty Three Lakhs Twenty Seven Thousand and Five Hundred Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Rs. 10/- (Rupees Ten Only) each fully paid up be Split between the Demerged Company and the Resulting Company as follows:

1. **Demerged Company:** Rs. 33,32,750/- (Rupees Thirty Three Lakhs Thirty Two Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Re. 1/- (Rupees One Only) each fully paid up.
2. **Resulting Company:** Rs. 2,99,94,750/- (Rupees Two Crores Ninety Nine Lakhs Ninety Four Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Rs. 9/- (Rupees Nine Only) each fully paid up.

RESOLVED FURTHER THAT upon sanction of the said Scheme by the NCLT and upon the Scheme becoming effective, without any further act or deed on the part of the Resulting Company, the Resulting Company will, in aggregate, issue and allot 33,32,750 Equity Shares of Rs. 9/- each (the "New Shares") to registered fully paid-up equity shareholders of the Company (Demerged Company) on the Record Date, as decided by the Board of the Directors of the Resulting Company in consultation with the Board of the Company in the ratio of 1:1; Against 1 Equity Share of the Face value of Re.1/- each of the Company (Demerged Company), 1 Equity Share of the Face value of Rs. 9/- each of the Resulting Company shall be issued to the shareholders of Demerged Company.

RESOLVED FURTHER THAT Mr. S. Balakrishna, Managing Director, Mr. Padmanaban Raghuraman, Joint Managing Director and/or Mr. Jitendra Kumar Pal, Company Secretary of the Company, be and are hereby jointly/or severally authorized to do all such acts, deeds and things including but not limited to the following and execute all necessary documents in connection with the above:

1. To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, undertake, record all deeds, declarations, instruments, vakalatnamas, applications, petitions, affidavits, objections, notices and writings whatsoever as may be usual, necessary, proper or expedite and all matter of documents, petitions, affidavits and applications under the applicable laws including Companies Act, 2013 or Companies Act, 1956, as the case may be, and other applicable laws in relation to the aforesaid matter;
2. To make necessary applications, petitions, appeals and judges summons to the competent authorities for the purpose for obtaining requisite approvals as and when required before any Court, Tribunal, or statutory authorities;
3. To file applications and / or petitions before the NCLT for the directions for holding the meeting of the shareholders and creditors and for sanction of the Scheme;



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Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN L17111TN1964PLC005183"

4. To send notices, explanatory statement and other related documents and to conduct court convened meeting(s) and /or meeting through postal ballot and e-voting as per the applicable laws and / or as per direction of the NCLT;
5. Filing of Valuation Report as prepared by Mr. Dinesh Kumar Deora (Registered Valuer-Securities or Financial Assets) providing the share exchange ratio in respect of the aforesaid Scheme and Fairness Opinion issued by Mark Corporate Advisors Private Limited;
6. File the Scheme of Arrangement with the BSE and SEBI and to obtain approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015.
7. To file requisite undertaking, affidavit, certificates or other documents and / or liaise with SEBI, BSE, the Regional Director, Registrar of Companies, Stamp Authorities, Sub Registrar of Assurances, Official Liquidator, income tax authorities or any other governmental authorities in connection with the proposed Scheme during the process of sanction thereof and during the implementation of the Scheme after sanction of the Scheme;
8. To make necessary applications, petitions, appeals and judge summons to the competent authorities for the purpose for obtaining requisite approvals including in principle approvals as and when required before any Court, Tribunal, BSE, SEBI or statutory authorities as may be required for the purpose of sanction and/ or implementation of the Scheme;
9. To engage Advocates and any counsel / advocate on record appointed by them, and any other advisors, counsels, consultant firms to advise and represent the Company before competent authorities etc;
10. To appoint and settle the terms of the appointment of rating agencies, Merchant Bankers and other intermediaries as may be required for the purpose of implementing the Scheme.
11. To make application to BSE, SEBI and other governmental authorities for listing of the equity shares issued pursuant to the aforesaid Scheme;
12. To affix the common seal of the Company on such deeds, documents, agreements, undertakings, letters, writings, etc. from time to time (including any modifications thereto) or any such other documents in connection with the purpose of above resolutions as may be required and in accordance with the provisions of the Articles of Association of the Company;
13. To make such alterations and change and/ or modifications in the aforesaid applications and/ or petitions as may be expedient and necessary for satisfying the requirements and conditions imposed if any, by the court or any authority;
14. And do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the above decision, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect to the aforesaid resolutions, including the execution of any documents(s) that may be deemed fit;



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Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

15. To settle any question or difficulty that may arise with regard to the implementation of the above Scheme and to give effect to the above resolution;

RESOLVED FURTHER THAT BSE Limited will be the designated stock exchange for coordinating with SEBI in accordance, with the SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021 as amended from time to time.

RESOLVED FURTHER THAT Mr. Balakrishna S, Managing Director, Mr. R. Padmanaban, Joint Managing Director of the Company and/or Mr. Jitendra Kumar Pal, Company Secretary of the Company, be and are hereby jointly/or severally authorized to make such alterations and changes in the Scheme, as may be expedient and necessary for satisfying the requirement(s) or conditions imposed by the BSE, SEBI, NCLT or any other statutory authorities as may be required, provided that prior approval of the Board shall be obtained for making any material changes in the said draft Scheme, as approved in this meeting.

RESOLVED FURTHER THAT a Committee called Demerger Committee be and is hereby constituted comprising of Mr. Balakrishna S, Managing Director and Mr. R. Padmanaban, Joint Managing Director for the purpose of overseeing the process of Demerger of Undertaking of the Demerged Company and doing the needful in respect of the above.


RESOLVED FURTHER THAT the report of the board of directors explaining the effect of the Scheme of Arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders as required to be annexed to the notice and explanatory statement as per section 232(2) (c) of Companies Act 2013, submitted before the meeting duly initiated by the Chairman of the Meeting for the purpose of identification, and signed on behalf of the Board of Directors of the Company by Mr. Balakrishna S, Managing Director of the Company be and is hereby adopted.

RESOLVED FURTHER THAT Mr. Balakrishna S, Managing Director and Mr. R. Padmanaban, Joint Managing Director and/or Mr. Jitendra Kumar Pal, Company Secretary of the Company, be and are hereby jointly/or severally authorized to do all acts and deed required to give effect to the above resolutions and the Scheme, including the power to delegate such authorization to any other officer, on behalf of the company to give effect to this resolution.

RESOLVED FURTHER THAT the copy of the aforesaid resolutions certified to be true by any Director or Company Secretary or Authorized Signatory of the Company and the same be submitted to the concerned authorities and they be requested to act thereon."

//CERTIFIED TO BE TRUE//

for SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED


(Jitendra Kumar Pal)
Company Secretary
Date: 10th May 2022

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Annexure 9

SLST Industries Limited

CIN : U17299TN2018PLC125103

CERTIFIED TRUE COPY OF RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF SLST INDUSTRIES LIMITED HELD ON APRIL 29, 2022 AT THE REGISTERED SITUATED AT 16, KRISHNAMACHARI ROAD, NUNGAMBAKKAM, CHENNAI- 600 034, TAMIL NADU AT 12.05 P.M.

APPROVAL OF SCHEME OF ARRANGEMENT BETWEEN SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED ("THE DEMERGED COMPANY") AND SLST INDUSTRIES LIMITED ("THE RESULTING COMPANY")

The Chairman placed before the Board of Directors of the Company (the "Board") the draft Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (ARNI) Limited ("the Demerged Company"), a BSE Listed Company incorporated on 02nd May, 1964 under the Companies Act, 1956 in the State of Tamil Nadu and SLST Industries Limited ("the Resulting Company"/ "the Company") for their approval which provides for demerger of B Mill, a Spinning Mill with installed capacity of 35,088 Ring Spindles, manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (Demerged Undertaking) of the Demerged Company and inter-alia transfer and vest in the Company (Resulting Company) pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules and regulations made there under including any statutory modifications, re-enactments or amendments made thereto from time to time (the "Scheme") in accordance with SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time ("SEBI Circular"). He informed that A Mill, a Spinning Mill with installed capacity of 33,360 Ring Spindles manufacturing yarn for weaving and knitting situated at Raghunathapuram, Sevoor Village, PIN: 632316, Arni Taluk, Tiruvannamali District, Tamil Nadu (Remaining Undertaking) of Demerged Company will remain with the Demerged Company.

He further informed that, the Scheme, if implemented will facilitate a separate and better management focus for both the Demerged Company and the Resulting Company on their respective units and thereby provide the distinct competencies required for achieving full potential, in order to meet the betterment of their respective customers, their needs, priorities and thereby eliminating any perceived conflict of interest among customers, develop their own network of alliances and talent models that are critical to their own success. Further, the proposed Scheme of Arrangement (Demerger) is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholders value and to achieve higher long-terms financial returns.

Mr. R. Thirumalai requested a family arrangement proposal to be drafted and to be signed by all promoters shareholders of the Company. He further suggested that UDS should be mentioned in the sketch/ map/ drawing of the Chennai Registered office. The shareholding details of the Company as detailed below:




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SLST Industries Limited

CIN : U17299TN2018PLC125103

Sl No	Name of the Promoters	No of shares	percentage of holding
1	R PADMANABHAN	1500	12.50%
2	R PADMINI	1500	12.50%
3	R THIRUMALAI	1500	12.50%
4	R RAJAGOPAL	1500	12.50%
5	S BALAKRISHNA	1500	12.50%
6	SHANTHA SRIHARI	1500	12.50%
7	SRISH JAYENDER BALAKRISHNA	1500	12.50%
8	SANGEETA KRISNA	1500	12.50%
Total		12000	100.00%

The Chairman placed before the Board the following:

- a) Draft Scheme of Arrangement;
- b) Valuation Report issued by Mr. Dinesh Kumar Deora, Registered Valuer in relation to the shares to be issued by the Company to the Shareholders of the Demerged Company pursuant to the Scheme;
- c) Fairness Opinion Report issued by Mark Corporate Advisors Private Limited, the Merchant Banker on the said Valuation Report;
- d) Certificate issued by M/s.S. Viswanathan, LLP, Chartered Accountants, the Statutory Auditors of the Company, pursuant to Part- I paragraph A.5 as prescribed in Annexure I of the SEBI Circular, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles.
- e) Report explaining the effect of the scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders as required under the Companies Act 2013.

After deliberate discussions the following resolutions were passed:

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 along with the rules and regulations issued there under, including any statutory modifications, re-enactments or amendments made thereto from time to time and in accordance with SEBI circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 as amended from time to time (“SEBI Circular”), subject to the Memorandum of Association and Articles of Association of the Company, approval from BSE Limited (“BSE”), approval from Securities and Exchange Board of India (“SEBI”), approval from the members of the Company, approval from its creditors and subject to the sanction of the National Company Law Tribunal (“NCLT”) constituted under the Companies Act, 2013, and subject to the approval of any other statutory or governmental authorities, the Draft Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (ARNI) Limited (“**the Demerged Company**”), a BSE Listed Company incorporated on 02nd May, 1964 under the Companies Act, 1956 in the State of Tamil Nadu and SLST Industries Limited (“**the Resulting Company**”/ “**the Company**”) their respective shareholders and creditors (“Scheme”) placed before the Board and initialled by the Chairman for the purpose of identification be and is hereby approved with effect from April 01, 2021 being the appointed date.

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RESOLVED FURTHER THAT the Company do take further steps for obtaining the requisite approvals of the shareholders and the creditors of the Company and other regulatory authorities and persons, whose consent is required under law for the Scheme and for that purpose to initiate all necessary actions including seeking appropriate directions from the NCLT for either dispensing with the requirement of convening meetings of the shareholders and/ or creditors of the Company or convening the meeting of the shareholders and/ or creditors of the Company and other concerned persons/ parties and to take all other consequential steps in that behalf, including the preparation and circulation of the notices and explanatory statements, and filing of all other documents required to be filed in this connection.

RESOLVED FURTHER THAT for the purpose of the Scheme and for determining the share exchange ratio, the Valuation Report issued by Mr. Dinesh Kumar Deora Registered Valuer and Fairness Opinion issued by Mark Corporate Advisors Private Limited on the said Valuation Report, submitted to the meeting and signed by the Chairman of the meeting for the purpose of identification, be and is here by approved.

RESOLVED FURTHER THAT upon sanction of the said Scheme by the NCLT and upon the Scheme becoming effective, the Issued, Subscribed and Paid-up Equity Share Capital of the Demerged Company of Rs. 3,33,27,500/- (Rupees Three Crore Thirty Three Lakhs Twenty Seven Thousand and Five Hundred Only) divided into 33,32,750 (Thirty Three Lakh Thirty Two Thousand Seven Hundred and Fifty Only) Equity Shares of the Face Value of Rs. 10/- (Rupees Ten Only) each fully paid up be Split between the Demerged Company and the Resulting Company as follows:

1. **Demerged Company:** Rs. 33,32,750/- (Rupees Thirty Three Lakhs Thirty Two Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Re. 1/- (Rupees One Only) each fully paid up.
2. **Resulting Company:** Rs. 2,99,94,750/- (Rupees Two Crores Ninety Nine Lakhs Ninety Four Thousand Seven Hundred and Fifty Only) consisting of 33,32,750 Equity Shares of the Face Value of Rs. 9/- (Rupees Nine Only) each fully paid up.

RESOLVED FURTHER THAT upon sanction of the said Scheme by the NCLT and upon the Scheme becoming effective, without any further act or deed on the part of the Company (Resulting Company), the Company (Resulting Company) will, in aggregate, issue and allot 33,32,750 Equity Shares of Rs. 9/- each (the "New Shares") to registered fully paid-up equity shareholders of the Demerged Company on the Record Date, as decided by the Board in consultation with the Board of Directors of the Demerged Company in the ratio of 1:1; Against 1 Equity Share of the Face value of Re.1/- each of the Demerged Company, 1 Equity Share of the Face value of Rs. 9/- each of the Company (Resulting Company) shall be issued to the shareholders of Demerged Company.

RESOLVED FURTHER THAT Mr. Balakrishna S and Mr. R. Padmanaban, Directors of the Company, be and are here by jointly/or severally authorised to do all such acts, deeds and things including but not limited to the following and execute all necessary documents in connection with the above:

1. To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, undertake, record all deeds, declarations, instruments, vakalatnamas, applications, petitions, affidavits, objections, notices and writings whatsoever as may be usual, necessary, proper or expedite and all matter of documents, petitions, affidavits and applications under the applicable laws including Companies Act, 2013 or Companies Act, 1956, as the case may be, and other applicable laws in relation to the aforesaid matter;

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2. To make necessary applications, petitions, appeals and judges summons to the competent authorities for the purpose for obtaining requisite approvals as and when required before any Court, Tribunal, or statutory authorities;
3. To file applications and / or petitions before the NCLT for the directions for holding the meeting of the shareholders and creditors and for sanction of the Scheme;
4. To send notices, explanatory statement and other related documents and to conduct court convened meeting(s) and /or meeting through postal ballot and e-voting as per the applicable laws and / or as per direction of the NCLT;
5. Filing of Valuation Report as prepared by Mr. Dinesh Kumar Deora, (Registered Valuer-Securities or Financial Assets) providing the share exchange ratio in respect of the aforesaid Scheme and Fairness Opinion issued by issued by Mark Corporate Advisors Private Limited;
6. To file requisite undertaking, affidavit, certificates or other documents and / or liaise with SEBI, BSE, the Regional Director, Registrar of Companies, Stamp Authorities, Sub Registrar of Assurances, Official Liquidator, income tax authorities or any other governmental authorities in connection with the proposed Scheme during the process of sanction thereof and during the implementation of the Scheme after sanction of the Scheme;
7. To make necessary applications, petitions, appeals and judge summons to the competent authorities for the purpose for obtaining requisite approvals including in principle approvals as and when required before any Court, Tribunal, BSE, SEBI or statutory authorities as may be required for the purpose of sanction and/ or implementation of the Scheme;
8. To engage Advocates and any counsel / advocate on record appointed by them, and any other advisors, counsels, consultant firms to advise and represent the Company before competent authorities etc;
9. To appoint and settle the terms of the appointment of rating agencies, Merchant Bankers and other intermediaries as may be required for the purpose of implementing the Scheme.
10. To make application to BSE, the SEBI and other governmental authorities for listing of the equity shares issued pursuant to the aforesaid Scheme;
11. To affix the common seal of the Company on such deeds, documents, agreements, undertakings, letters, writings, etc. from time to time (including any modifications thereto) or any such other documents in connection with the purpose of above resolutions as may be required and in accordance with the provisions of the Articles of Association of the Company;
12. To make such alterations and change and/ or modifications in the aforesaid applications and/ or petitions as may be expedient and necessary for satisfying the requirements and conditions imposed if any, by the court or any authority;



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CIN : U17299TN2018PLC125103

13. And do all such acts, deeds, matters and things as may be necessary, proper and expedient for effectuating and implementing the above decision, including any directions for settling any question or doubt or difficulty whatsoever that may arise to give effect to the aforesaid resolutions, including the execution of any documents(s) that may be deemed fit;
14. To settle any question or difficulty that may arise with regard to the implementation of the above Scheme and to give effect to the above resolution;

RESOLVED FURTHER THAT Mr. Balakrishna S and Mr. R. Padmanaban, Directors of the Company, be and are hereby jointly/or severally authorised to make such alterations and changes in the Scheme, as may be expedient and necessary for satisfying the requirement(s) or conditions imposed by the BSE, SEBI, NCLT or any other statutory authorities as may be required, provided that prior approval of the Board shall be obtained for making any material changes in the said draft Scheme, as approved in this meeting.

RESOLVED FURTHER THAT the report of the board of directors explaining the effect of the scheme of amalgamation on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders as required to be annexed to the notice and explanatory statement as per section 232(2) (c) of Companies Act 2013, submitted before the meeting duly initiated by the Chairman of the Meeting for the purpose of identification, and signed on behalf of the Board of Directors of the Company by Mr. Balakrishna S, the Director be and is hereby adopted.

RESOLVED FURTHER THAT Mr. Balakrishna S and Mr. R. Padmanaban, Directors of the Company, be and are hereby jointly/or severally authorised to do all acts and deed required to give effect to the above resolutions and the Scheme, including the power to delegate such authorization to any other officer, on behalf of the company to give effect to this resolution.

RESOLVED FURTHER THAT the copy of the aforesaid resolutions certified to be true by any Director or Company Secretary or Authorised Signatory of the Company and the same be submitted to the concerned authorities and they be requested to act thereon

//CERTIFIED TO BE TRUE//

For SLST INDUSTRIES LIMITED


(BALAKRISHNA S)
DIRECTOR



DIN: 00084524

Date: May 11, 2022

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Annexure 10



DCS/AMAL/TL/R37/2852/2023-24

August 01, 2023

The Company Secretary,
SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LTD.
 16, Krishnama Road, Nungambakkam,
 Chennai, Tamil Nadu, 600034

Dear Sir,

Sub: Observation letter regarding the Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (Arni) Limited and SLST Industries Limited and their respective Shareholders

We are in receipt of the Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (Arni) Limited and SLST Industries Limited and their respective Shareholders filed by Sri Lakshmi Saraswathi Textiles (Arni) Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 and Regulation 94(2) of SEBI (LODR) Regulations 2015; SEBI vide its letter dated July 31, 2023 has inter alia given the following comment(s) on the draft Scheme of Arrangement:

- a. "Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- b. "Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- c. "Company shall ensure compliance with the SEBI circulars issued from time to time."
- d. "The entities involved in the Scheme shall duly comply with various provisions of the Circular."
- e. "Company is advised that the information pertaining to all the Unlisted Companies involved, if any, in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."
- f. "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."
- g. "Company is advised to disclose:
 - the details of assets and liabilities of the Transferor Company and Transferee Company prior to the Scheme of Amalgamation, the details of assets and liabilities of Transferee Company after the amalgamation along with the rationale for arriving the share entitlement ratio;
 - Detailed rationale for inter-se transfer in the scheme along with shareholding of each promoter after the inter-se transfer;
 - Rationale for not cancelling precious paid up capital of SLST Industries Limited; as a part of the Explanatory Statement or notice or proposal accompanying resolution to be passed to be forwarded by the Company to its shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013, so that public shareholders can make an informed decision on the matter."
- h. "Company is advised that the details of the proposed scheme under consideration as provided by Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders."
- i. "Company is advised that the proposed equity shares to be issued in terms of the 'Scheme' shall mandatorily be in demat form only."



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 Corporate Identity Number : L67120MH2005PTC155188



- j. "Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."
- k. "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."
- l. "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."
- m. "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
- n. "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the Company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of SLST Industries Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, SLST Industries Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such Company and also comply with other applicable statutory requirements. However, the listing of shares of SLST Industries Limited is at the discretion of the Exchange. In addition to the above, the listing of SLST Industries Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about SLST Industries Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the Companies are also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all details of SLST Industries Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about SLST Industries Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.



BSE - PUBLIC



4. The following provisions shall be incorporated in the scheme:

- "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
- "There shall be no change in the shareholding pattern of SLST Industries Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

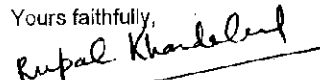
Please note that the aforesaid observations do not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,


Rupal Khandelwal
Deputy General Manager


Tanmayi Lele
Assistant Manager

Annexure 11



Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

To,
BSE Limited,
Department of Corporate Services
 Floor 1, P. J. Towers,
 Dalal Street,
 Mumbai 400 001

Sub: Submission of "Report on Complaints" in the format as prescribed in Annexure II in SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021

Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (ARNI) Limited ("the Demerged Company"/ "the Company") and SLST Industries Limited ("the Resulting Company") as per section 230 to 232 of the Companies Act, 2013.

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
NIL			

For SRI LAKSHMI SARASWATHI
 TEXTILES (ARNI) LIMITED

Jal
 (JITENDRA KUMAR PAL)
 COMPANY SECRETARY

Date: August 23, 2022
 Place: Chennai



Regd. Off. : 16, Krishnama Road, Nungambakkam, Chennai - 600 034. India
 Phone: 91-44-28277344 / 28270548 E-mail : slst@slstarni.com
 Web : www.slstindia.com



Annexure 12



Sri Lakshmi Saraswathi Textiles (Arni) Limited

"CIN : L17111TN1964PLC005183"

ANNEXURE VI

Date: July 13, 2022

Compliance Report

It is hereby certified that the draft scheme of arrangement between Sri Lakshmi Saraswathi Textiles (Arni) Limited ("The **Demerged Company**") and SLST Industries Limited ("The **Resulting Company**") and their respective shareholders and creditors does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sl.	Reference	Particulars	Status of compliance
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements	Complied
2	Regulation 11 of LODR Regulations	Compliance with securities laws	Complied
Requirements of this circular			
(a)	Para (I)(A)(2)	Submission of documents to Stock	Complied
(b)	Para (I)(A)(2)	Conditions for schemes of arrangement involving unlisted	Complied
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report	Complied
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with	Complied
(e)	Para (I)(A)(9)	Provision of approval of public shareholders	Complied

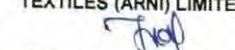
FOR SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED


(S. BALAKRISHNA)
MANAGING DIRECTOR
DIN: 00084524

FOR SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED

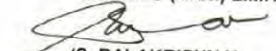

(R. PADMANABAN)
JOINT MANAGING DIRECTOR &
CHIEF FINANCIAL OFFICER
DIN: 00084579

FOR SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED

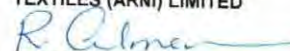

(JITENDRA KUMAR PAL)
COMPANY SECRETARY

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement between Sri Lakshmi Saraswathi Textiles (Arni) Limited ("The **Demerged Company**") and SLST Industries Limited ("The **Resulting Company**") and their respective shareholders and creditors are in compliance with all the Accounting Standards applicable to a listed entity.

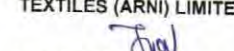
FOR SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED


(S. BALAKRISHNA)
MANAGING DIRECTOR
DIN: 00084524

FOR SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED


(R. PADMANABAN)
JOINT MANAGING DIRECTOR &
CHIEF FINANCIAL OFFICER
DIN: 00084579

FOR SRI LAKSHMI SARASWATHI
TEXTILES (ARNI) LIMITED


(JITENDRA KUMAR PAL)
COMPANY SECRETARY

Regd. Off. : 16, Krishnama Road, Nungambakkam, Chennai - 600 034. India
Phone: 91-44-28277344 / 28270548 E-mail : slst@slstarni.com
Web : www.slstindia.com



Annexure 13

INDEPENDENT AUDITORS REPORT

**To the members of SRI LAKSHMI SARASWATI TEXTILES (ARNI) LIMITED
(CIN: L17111TN1964PLC005183)**

Report on the audit of the Standalone Ind AS Financial Statements**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in the Basis for Qualified Opinion paragraph below the aforesaid Standalone 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 Indian Accounting Standards prescribed under Section 133 of The Act read with the companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and Loss for the year ended on that date.

We have audited the accompanying Standalone Financial Statements of SRI LAKSHMI SARASWATI TEXTILES (ARNI) LIMITED ("the Company") which comprises the Balance Sheet as at 31st March 2024, 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.

Basis for Qualified Opinion

The Company's net worth has completely eroded. The accumulated loss for the reporting period amounts to Rs. 7,125.15 Lakhs (Previous Year Rs. 5,105.68 Lakhs). The turnover during the year ended 31st March 2024 amounts Rs. 12,711.70 Lakhs (Previous Year Rs. 15,104.45 Lakhs) as per the books of accounts. The statement of profit and loss account also indicates that the company has been incurring net losses for the previous two years including the period under audit. These events indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, the company's statement of audited financial results has been prepared on going concern basis of accounting, based on the opinion of the management that the company would generate sufficient profits in the foreseeable future.

We have observed that, advances paid to suppliers amounting to Rs. 47.58 Lakhs, which were long outstanding and since confirmation of balances have not been received for the same, we are unable to comment on the quality of such assets.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter paragraph.

We have observed that an advance to an extent of Rs 21.40 Lakhs (Previous Year 21.40 Lakhs), has been given, for the purchase of machinery which is outstanding for more than one year.

Our opinion is not modified with respect to the above matters.

Key Audit Matters –

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other Than Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information in the Annual Report, comprising of the Director's report and its annexures, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone 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 Standalone Financial Statements that give a true and fair view of the Standalone Financial position, Standalone Financial Performance and Standalone Cash Flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's Financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 are necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts as required by the law have been kept by the Company as far as it appears from our examinations of those books.

- c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement are in agreement with the books of accounts.
 - d. In our opinion, the aforesaid Financial Statements comply with the Indian 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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the requirements of Section 197(16) of the Act, as amended.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such control refer to our separate report in "Annexure A."
 - h. 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 has no pending litigations and hence, reporting under this clause is not applicable.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The company is not required to transfer any amount to Investor Education and Protection Fund.
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("intermediary"), with the understanding, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or the like on behalf of the Ultimate Beneficiaries:
 - c. Based on the audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.
 - v. The board of directors of the company have not proposed final dividend for the year which is subject to the approval of members at the ensuing annual general meeting.
 - vi. The company does not have the accounting software which has the feature of recording audit trail (edit log) facility as applicable to the company with effect from April 1, 2023 as prescribed under Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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.

Place: Chennai
Date : May 27, 2024

for M/s.S B S B and Associates
Firm No.012192S

(D.SHARAT KUMAR)
Member Ship .No.024568
Partner
CHARTERED ACCOUNTANTS

UDIN:

Annexure A” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of SRI LAKSHMI SARASWATI 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 SARASWATI TEXTILES (ARNI) LIMITED. (“the Company”) as of 31st March 2024 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Managements Responsibility for Internal Financial Control

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.

Auditor’s 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 Controls for 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:

1. Pertain to the maintenance of controls 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 authorizations of management and Directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2024, 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 ICAI.

Place: Chennai
Date : May 27, 2024

for M/s.S B S B and Associates
Firm No.012192S

(D.SHARAT KUMAR)
Member Ship .No.024568
Partner
CHARTERED ACCOUNTANTS

UDIN:

"Annexure B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of SRI LAKSHMI SARASWATI TEXTILES (ARNI) LIMITED

The annexure referred to in Paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirement' of our report of even date.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets.
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant, and Equipment.
The Company is maintaining proper records showing full particulars of intangible assets.
 - b. The Property, Plant, and Equipment has been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c. Based on our examination of the property tax receipts, registered sale deed/ transfer deed/ conveyance deed and confirmation from bank for the title deeds held with them we report that the title in respect of self-constructed buildings and the title deeds of all other immovable properties, disclosed in financial statements included under property plant and equipment are held in name of company as at balance sheet date.
 - d. The Company has not revalued its Property, Plant, and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - e. No proceedings have been initiated or are pending against the company as at March 31 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. In respect of the Company's Inventory,
 - a. The management has conducted physical verification of inventory at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate; Discrepancies of 10 percent or more were not noticed
3. The Company has been sanctioned working capital limits in excess of ` 5 crores, in aggregate during the year from Bank on the basis of security of current assets. Monthly statements have been submitted to the Bank and the details of the differences between the books of account and statements submitted to the Bank at the end of each quarter are given in Note No. 37 to Financial statement.
4. The company has made investments in certain companies during the year.
 - a. As per the records examined by us and the information provided, the investments made by the company during the year are not prejudicial to the company's interests.
 - b. However, the company has not provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to any Companies, Firms, Limited Liability Partnerships, or any other party, therefore reporting under Clause 3 (b), (c), (d), (e), and (f) are not applicable.
5. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of investments made by the company. The Company has not provided any loans, guarantee or security to any Company covered under Section 185.
6. The company has not accepted any deposits or amounts which are deemed to be deposits during the year. Hence, this clause is not applicable.
7. The maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed and such accounts and records have been made and maintained.
8. In respect of statutory dues:

- a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Income Tax, Duty of Custom, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b. There are no disputed statutory dues, as per the information and explanations given to us and the records examined by us. Hence, reporting in this clause is not applicable.
9. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year under the Income Tax Act 1961.
- 10.
- a. The company has not defaulted on its repayment schedule during the year.
 - b. The company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.
 - c. The company has applied the term loans for the purpose for which they were obtained.
 - d. On overall examination of financial statements of company, funds raised on short term basis have prima facie, not been used during the year for long term purposes by the company.
 - e. On overall examination of financial statements of company, the company has no subsidiaries. Hence this clause is not applicable.
 - f. On overall examination of financial statements, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures, and associates.
- 11.
- a. The company has not raised moneys by way of initial public offer or further public offer during the year. Hence, this clause is not applicable to the Company.
 - b. During the year, the company has not made preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, Clause (x) of the Order is not applicable to the Company.
12. The company has not noticed any fraud by the company or any fraud on the company during the year. Consequently, the provisions of clause 11 (a) (b) and (c) are not applicable to the Company.
13. The Company is not a Nidhi company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise Hence this clause is not applicable.
14. 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 Standalone Financial Statements as required by the applicable accounting standards.
- 15.
- a. According to the information and explanations given to us, the company has an adequate internal audit system commensurate with the size and nature of its business.
 - b. We have considered the reports of the Internal Auditors for the period under audit issued to the company during the year and till date.
16. According to the information and explanations given to us, the company has not entered into any non-cash transactions as per section 192 of the Companies Act 2013, with directors or persons connected with him. Hence, this clause is not applicable.
17. The company is not required to be registered under section 45 IA of the Reserve Bank of India Act 1934. Hence this clause 16 (a) (b) (c) (d) is not applicable.
18. According to the information and explanations given to us, the company has incurred cash losses during the year, which amounts to Rs. 12.01 Lakhs (Previous year cash loss of Rs. 106.41 Lakhs).
19. There has not been any resignation of the statutory auditors during the year. Hence this clause is not applicable.
20. In our opinion, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the

ANNEXURES

assumptions, no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

21.

- a. According to the information and explanations given to us, the company is not required to transfer any amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the year. Hence this clause is not applicable.
- b. The Company is not required to spend the minimum amount required to be spent as stipulated in Section 135 of the Companies Act. Hence this clause is not applicable.

22. The company has no subsidiary and hence Clause 21 is not applicable.

Place: Chennai
Date : May 27, 2024

for M/s.S B S B and Associates
Firm No.012192S

(D.SHARAT KUMAR)
Member Ship .No.024568
Partner
CHARTERED ACCOUNTANTS

UDIN:

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED			
BALANCE SHEET AS AT 31st MARCH 2024			
CIN: L17111TN1964PLC005183			
ASSETS	Notes	Amount Rs. in lakhs	
		As at 31st Mar 2024	As at 31st Mar 2023
1. Non-Current Assets :			
(a) Property, Plant and Equipment	6	1542.06	1518.76
(b) Capital Work In Progress	6	434.10	541.90
(c) Other Intangible assets	6	1.09	1.49
(d) Financial Assets :			
i. Investments	7	101.82	102.89
(e) Other Non- Current Assets	8	127.35	127.35
Total Non -Current Assets		2206.42	2292.39
2. Current Assets :			
(a) Inventories	9	489.02	894.13
(b) Financial Assets :			
i. Trade Receivables	10	178.54	124.25
ii. Cash and Cash Equivalents	11	26.41	38.42
iii. Bank balance other than (ii) above	12	184.48	117.86
iv. Security Deposits	13	376.90	319.22
(c) Current Tax Assets (Net)	14	18.67	15.93
(d) Other Current Assets	15	184.47	270.99
Total Current Assets		1458.49	1780.80
TOTAL ASSETS		3664.91	4073.19
EQUITY AND LIABILITIES	NOTES	31st Mar 2024	31st Mar 2023
1. EQUITY			
(a) Equity Share Capital	16	333.28	333.28
(b) Other Equity	17	-5121.16	-3101.66
Total Equity		-4787.88	-2768.38
2. LIABILITIES:			
A Non Current Liabilities :			
(a) Financial Liabilities			
i. Borrowings	18	220.68	358.06
(b) Deferred tax liabilities (OCI)	19	0.00	9.05
Total Non Current Liabilities		220.68	367.11
B Current Liabilities :			
(a) Financial Liabilities			
i. Borrowings Secured	20	0.00	0.00
ii. Borrowings Un Secured	21	1199.20	955.20
iii. Trade Payables	22		
- Dues to micro and small enterprises		17.20	17.06
- Dues to other than micro and small enterprises		4761.07	3497.58
iv. Other financial liabilities	23	1388.04	1118.29
(b) Provisions	24	866.60	886.33
(c) Current Tax Liabilities (Net)	25	0.00	0.00
Total Current Liabilities		8232.11	6474.46
TOTAL EQUITY AND LIABILITIES		3664.91	4073.19

Significant Accounting Policies

Note Numbers: 1 - 5

NOTES 6 TO 25 AND ADDITIONAL INFORMATION IN NOTE 36(A) to 38 FORM PART OF THIS BALANCE SHEET

BALAKRISHNA SManaging Director &
Chief Executive Officer**R.PADMANABAN**Joint Managing Director &
Chief Financial OfficerJITENDRA KUMAR PAL
COMPANY SECRETARYAs per our report annexed
for M/s. S B S B and Associates
CHARTERED ACCOUNTANTS
Firm No.012192S**(D.SHARAT KUMAR)**

Partner

Member Ship .No.024568

Place: Chennai
Date: 27-May-24

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED				
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024				
CIN: L17111TN1964PLC005183				
	PARTICULARS	Note No	Amount Rs. in lakhs	
			31st Mar 2024	31st Mar 2023
	INCOME:			
I	Revenue from Operations	26	12711.70	15104.45
II	Other Income	27	32.80	64.40
III	Total Income (I + II)		12744.50	15168.85
IV	EXPENSES:			
	Cost of materials consumed	28	8951.94	10958.43
	Purchase of Stock-in-Trade	29	99.30	141.98
	Changes in inventories of work-in-process	30	34.59	114.60
	Changes in inventories of finished goods	31	83.31	130.60
	Employee benefits expense	32	1878.60	1858.71
	Finance costs	33	436.55	374.72
	Depreciation	6	192.72	173.03
	Other expenses	34	3065.84	3413.80
	Total Expenses (IV)		14742.85	17165.87
V	Profit / (Loss) before exceptional items and tax (III - IV)		-1998.35	-1997.02
VI	Exceptional Items (+) / (-)	35	0.00	0.00
VII	Profit / (Loss) before tax (V-VI)		-1998.35	-1997.02
VIII	Tax expense			
	a. Current Tax		0.00	0.00
	b. Deferred Tax		0.00	0.00
	c. Prior Years' Tax Charge		0.00	0.00
			0.00	0.00
IX	Profit / (Loss) for the year from Continuing Operations (VII-VIII)		-1998.35	-1997.02
X	Profit / (Loss) from discontinued Operations		0.00	0.00
XI	Tax Expense of Discontinued Operations		0.00	0.00
XII	Profit/(Loss) from discontinued Operations after tax (X-XI)		0.00	0.00
XIII	Profit / (Loss) for the period (IX+XII)		-1998.35	-1997.02
XIV	Other Comprehensive income			
	(i) Remeasurement of defined benefit plans		-30.17	13.86
	(ii) Equity instrument through other comprehensive income		0.00	0.00
	(iii) Income tax (expenses)/savings		9.05	-5.54
XV	Total other comprehensive income		-21.12	8.32
XVI	Total comprehensive income for the period (XIII+XV)		-2019.47	-1988.70
	Earning per equity share (for Continuing Operation)			
	(i) Basic Rs.		-60.59	-59.67
	(ii) Diluted Rs.		-60.59	-59.67
	Earning per equity share (for discontinued operation)			
	(i) Basic Rs.		0	0
	(ii) Diluted Rs.		0	0
	Earning per equity share (for Total Operations)			
	(i) Basic Rs.		-60.59	-59.67
	(ii) Diluted Rs.		-60.59	-59.67

Significant Accounting Policies:

Note Numbers: 1-5

NOTES 26 TO 35 AND ADDITIONAL INFORMATION IN NOTE 36 (A) to 38 FORM PART OF THIS STATEMENT OF PROFIT & LOSS ACCOUNT

BALAKRISHNA SManaging Director &
Chief Executive Officer**R.PADMANABAN**Joint Managing Director &
Chief Financial OfficerJITENDRA KUMAR PAL
COMPANY SECRETARYAs per our report annexed
for M/s. **S B S B and Associates**
CHARTERED ACCOUNTANTS
Firm No.012192S
(D.SHARAT KUMAR)
Partner
Member Ship .No.024568Place: Chennai
Date: 27-May-24

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024		
CIN: L17111TN1964PLC005183		
	Amount Rs. in lakhs	
	2023-24	2022-23
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(1,998.35)	(1,983.16)
Adjustments for :		
Add :- Depreciation	192.72	173.03
Finance Expenses	436.55	374.25
	(1,369.08)	(1,435.88)
(Less) / Add :- (Profit) / Loss on sale of assets	-	(43.29)
Interest received	(31.62)	(19.55)
Operating Profit before Working Capital Changes	(1,400.70)	(1,498.72)
Adjustments for :-		
(Increase)/ Decrease in Inventories	405.11	585.68
(Increase)/ Decrease in Receivables	(54.29)	93.55
(Increase)/ Decrease in other financial assets	(57.68)	-141.23
(Increase)/ Decrease in other current assets	86.52	-60.37
Increase/(Decrease) in Trade payable	1,263.63	1246.16
Increase/(Decrease) in other financial liabilities	135.83	367.25
Cash Generated from Operations	378.42	592.32
Direct taxes paid	(2.74)	8.53
NET CASH FROM OPERATING ACTIVITIES (a)	375.68	600.85
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets and other Capital expenses	(107.82)	(818.27)
Sale of Fixed assets	-	49.71
Sale/Purchase of shares	1.06	(61.27)
Increase/(Decrease) Bank deposit	(66.62)	(44.37)
Interest received	31.62	19.55
NET CASH FROM INVESTING ACTIVITIES (b)	(141.76)	(854.65)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease)/ Increase in Working Capital Bank Finance	-	-
Proceeds Unsecured Loans and other Loans	244.00	162.50
Proceeds secured loan	36.98	379.24
Repayment of Term loans	(90.36)	(20.10)
Finance Expenses	(436.55)	(374.25)
NET CASH FROM FINANCING ACTIVITIES (c)	(245.93)	147.39
Net Change in Cash and Cash Equivalent (a+b+c)	(12.01)	(106.41)
Cash and Cash Equivalents as at the beginning	38.42	144.83
Cash and Cash Equivalents as at the end	26.41	38.42

BALAKRISHNA S
Managing Director &
Chief Executive Officer

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer

JITENDRA KUMAR PAL
COMPANY SECRETARY

As per our report annexed
for M/s. **S B S B and Associates**
CHARTERED ACCOUNTANTS
Firm No.012192S
(D.SHARAT KUMAR)
Partner
Member Ship .No.024568

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
STATEMENT OF CHANGES IN EQUITY AS ON 31st MARCH 2024
CIN: L17111TN1964PLC005183

EQUITY SHARE CAPITAL**(1) Current reporting period (Rs. In Lakhs)**

Balance at the beginning of 23-24	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of 23-24	Changes in equity share capital during 23-24	Balance at the end of 23-24
333.28	-	333.28	-	333.28

(2) Previous reporting period (Rs. In Lakhs)

Balance at the beginning of 22-23	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of 22-23	Changes in equity share capital during 22-23	Balance at the end of 22-23
333.28	-	333.28	-	333.28

OTHER EQUITY**1. Current Reporting Period**

Particulars	Reserves and Surplus				Rs. In Lakhs
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Total
Balance at the beginning of 23-24	-	443.42	1,560.57	-5,105.68	-3,101.69
Changes in accounting policy or prior period errors	-	-			-
(A) Restated balance at the beginning of 23-24	-	443.42	1,560.57	-5,105.68	-3,101.69
Additions During the Year					
Profit for the year 23-24				-1,998.35	-1,998.35
Items that will not be reclassified to Profit or loss					
Re-measurement of Defined benefit Plans				-30.17	-30.17
Income Tax relating to items that will not be reclassified in to profit or loss				9.05	9.05
(B) Total Comprehensive Income for 23-24	-	-		-2,019.47	-2,019.47
(C) Reduction During the Year					
Dividends	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
(D) Balance at the end of 23-24 (A+B-C)	-	443.42	1,560.57	-7,125.15	-5,121.16

2. Previous Reporting Period

Particulars	Reserves and Surplus				Rs. In Lakhs
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Total
Balance at the beginning of 22-23	-	443.42	1,560.57	-3,116.96	-1,112.97
Changes in accounting policy or prior period errors	-	-	-	-	-
(A) Restated balance at the beginning of 22-23	-	443.42	1,560.57	-3,116.96	-1,112.97
Additions During the Year					
Profit for the year 22-23	-	-	-	-1,997.02	-1,997.02
Items that will not be reclassified to Profit or loss	-	-	-		-
Remeasurement of Defined benefit Plans	-	-		13.86	13.86
Income Tax relating to items that will not be reclassified in to profit or loss				-5.54	-5.54
(B) Total Comprehensive Income for 22-23				-1,988.70	-1,988.70
(C) Reduction During the Year					
Dividends	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
(D) Balance at the end of 22-23 (A+B-C)	-	443.42	1,560.57	-5,105.68	-3,101.69

BALAKRISHNA S
Managing Director &
Chief Executive Officer

R.PADMANABAN
Joint Managing Director &
Chief Financial Officer

JITENDRA KUMAR PAL
COMPANY SECRETARY

As per our report annexed
for M/s. **S B S B** and Associates
CHARTERED ACCOUNTANTS
Firm No.012192S
(D.SHARAT KUMAR)
Partner
Member Ship .No.024568

Place: Chennai
Date: 27-May-24

SRI LAKSHMI SARASWATI TEXTILES (ARNI) LIMITED**Notes forming part of the Financial Statements****Note: 1 Company Overview**

Sri Lakshmi Saraswati Textiles (Arni) Limited is a public limited company incorporated and domiciled in India and has its registered office at No. 16, Krishnamma Road, Nungambakkam, Chennai – 600 034. The company's shares are listed in BSE Ltd. The company is principally engaged in the manufacture of yarn and surgical face masks. The company is also engaged in generation of electricity from its windmills for its captive consumption. The financial statements of the company for the year ended 31st March 2024 were approved and adopted by the Board of Directors of the company in its meeting held on 27th May 2024.

Note: 2 Statement of compliance

All accounting policies followed by the company are in accordance with the Indian Accounting Standards (Ind AS) notified u/s 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and conform to Schedule III to the Companies Act, 2013 as applicable.

Note: 3 Basis of Preparation and Compliance

The financial statements are prepared in accordance with the historical cost convention except for certain items that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. The financial statements are prepared on a going concern basis using accrual concept except for the cash flow information.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS-2 inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as described hereunder:

Level 1 -Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 -Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

Notes forming part of the Financial Statements

Note: 4 Material Accounting Policy Information

Pursuant to the Companies (Indian Accounting Standards) Amendment Rules, 2023 effective 01-04-2023, the company is required to disclose 'material accounting policy Information' in lieu of the earlier requirement of disclosing 'significant accounting policies'.

Specific disclosure of material accounting policy information where Ind AS permits options is made hereunder:

The company has assessed the materiality of the accounting policy information, which involves exercising judgement and considering both quantitative and qualitative factors by considering not only the size and nature of the item or condition but also the characteristics of the transactions, events or conditions that could make the information more likely to impact the decisions of the users of the financial statements.

Note: 5 Significant Accounting Policies and key accounting estimates and judgments Significant Accounting Policies

5.1 Property, Plant and Equipment (PPE)

- i. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognised as of April 1, 2016 (transition date) measured as per the previous IGAAP as its deemed cost as on the transition date.
- ii. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives and residual values are reviewed at the end of each reporting period and changes, if any, are treated as changes in accounting estimate. The useful lives are based on technical estimates and the management believe that the useful lives are realistic and fair approximation over the period of which the assets are likely to be used.
- iii. Estimated useful lives of the assets are as follows:

Asset	Years
Factory Buildings	30
Buildings (other than factory buildings) (Quarters)	60
Plant and Equipment (including continuous process plants)	15
Furniture and Fixtures	10
Vehicles	8 to 10
Office Equipment	5
Computer Equipment	Hardware Software
	3 2
Electrical installation	10

- iv. Assets costing Rs.10,000/- and below are depreciated in full in the year of addition.

Notes forming part of the Financial Statements

5.2 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed annually with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortized equally over the estimated useful life not exceeding three years.

5.3 Financial assets

a. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost. The debt instruments carried at amortised cost include Deposits, Loans and advances recoverable in cash.

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

b. Investments in equity instruments at FVTOCI

The Company has irrevocably designated to carry investment in equity instruments as Fair Value Through Other Comprehensive Income (FVTOCI). On initial recognition, the Company makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in Other Comprehensive Income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the 'Reserve for equity instruments through Other Comprehensive Income'. On derecognition of such Financial Assets, cumulative gain or loss previously reported in OCI is not reclassified from Equity to the Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

The Company has equity investments which are not held for trading.

Dividends on these investments in equity instruments are recognised in the Statement of Profit or Loss when the Company's right to receive same is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Notes forming part of the Financial Statements

c. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses “Expected Credit Loss” (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

For trade receivable, Company applies ‘simplified approach’ which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

d. Financial liabilities

All financial liabilities are initially recognised at the value of respective contractual obligations. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the ‘Finance costs’ line item.

5.4 Inventories

Inventories other than by-products are stated at lower of cost and net realizable value. Inventory of by-products is stated at net realizable value. Materials and other items intended for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Cost comprises of all costs of purchase (that includes taxes and duties, net of input tax credit entitlement), costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost of raw materials, consumables, stores and spares is determined on weighted average basis and includes inward freight and other direct expenses.

Net realizable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are periodically identified and written down when necessary.

Notes forming part of the Financial Statements

5.5 Revenue Recognition

a. Sale of products

Revenue is recognized upon transfer of control of the products to customers at a point in time i.e., when the products are delivered to the carrier in an amount that reflects the consideration that the company expects to receive in exchange for those products.

b. Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company there exists no uncertainty in the ultimate realization of the interest income and the amount can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and using effective interest rate method.

c. Insurance Claims

Insurance claims are recognized on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

5.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Grants are recognised in the Statement of Profit and Loss on a systematic basis over the period in which the Company recognises as expense the related costs which the grants are intended to compensate. Specifically, Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the Statement of Profit and Loss in the period in which they become receivable.

5.7 Employee Benefits

(a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

(b) Post-employment benefits

(i) Defined Contribution Plans

Contribution to Defined Contribution Schemes towards retirement benefits in the form of Provident fund is recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Notes forming part of the Financial Statements

(ii) Defined Benefit Plans

The Company operates Defined Benefit Gratuity Plan for employees. The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognised in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is

Notes forming part of the Financial Statements

recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognised in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liabilities / asset) are recognised in comprehensive income and taken to "retained earnings". Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability /(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary. However, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future, based on past experience. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out adverse compared to the assumptions.

(c) Other Long-term Employee Benefits

Entitlement to earned leave and sick leave is recognised when it accrues to employees. Earned leave/ sick leave can be availed or encashed either during service or on retirement subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leave using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.

Notes forming part of the Financial Statements**5.8 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, (which are assets that necessarily take a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

5.9 Foreign Currency Transactions**a. Initial Recognition**

On initial recognition, transactions in foreign currencies are recorded in the functional currency (i.e., Indian Rupee), by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

b. Measurement of foreign currency items at reporting date

Foreign currency monetary items are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

c. Recognition of exchange difference

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognised in profit or loss in the period in which they arise.

5.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Notes forming part of the Financial Statements

5.11 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are based on classification made in a manner considered most appropriate to Company's business.

Key Accounting estimates and judgments

5.12 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

5.13 Changes in estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of change in an accounting estimate is recognized prospectively by including it in profit or loss in (a) the period of the change if the change affects only that period; or (b) the period of the change and future periods, if the change affects both.

However, the change in an accounting estimate that gives rise to changes in assets and liabilities, or relates to an item of equity, is recognized by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

5.14 Key sources of estimation uncertainty

Key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

a. Actuarial valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the Notes to the financial statements.

b. Claims, Provisions and Contingent Liabilities

The Company does not have any ongoing litigations with tax and regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability.

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED										
NOTES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH 2024										
Property, Plant, Equipment and Other Intangible Assets										
										For 2023 - 2024
(Rs.in Lakhs)										
Particulars	Gross Block			Accumulated Depreciation				NET BLOCK		
	Balance as on 1st April 2023	Additions during the year	Deletions during the year	Balance as at 31st March 2024	Balance as on 1st April 2023	Depreciation charge for the year	Depreciation on deletions during the year	Balance as at 31st March 2024	WDV as on 31st March 2024	WDV as on 1st April 2023
<u>1. Property, Plant and Equipment</u>										
Land	22.87	0.00		22.87	0.00	0.00	0.00	0.00	22.87	22.87
Buildings	1226.42	8.57		1234.99	960.21	23.36	0.00	983.57	251.42	266.21
Plant and Machinery	7073.58	189.37		7262.95	5957.61	139.01	0.00	6096.62	1166.33	1115.97
Electrical Installation	349.61	3.14		352.75	311.05	6.64	0.00	317.69	35.06	38.56
Furniture, Fixtures	202.30	4.53		206.83	167.52	10.43	0.00	177.95	28.88	34.78
Garment Sewing Machine	0.00	9.47		9.47	0.00	1.07	0.00	1.07	8.40	
Other Assets	24.56	0.00		24.56	22.67	0.55	0.00	23.22	1.34	1.89
Vehicles	161.06	0.00		161.06	123.42	10.72	0.00	134.14	26.92	37.64
Live Stock	0.84	0.00		0.84	0.00	0.00	0.00	0.00	0.84	0.84
TOTAL - CURRENT YEAR TANGIBLE ASSETS	9061.24	215.08	0.00	9276.32	7542.48	191.78	0.00	7734.26	1542.06	1518.76
2 - Capital Work In Progress	541.90	72.21	180.01	434.10	0.00	0.00	0.00	0.00	434.10	541.90
TOTAL - Capital Work In Progress	541.90	72.21	180.01	434.10	0.00	0.00	0.00	0.00	434.10	541.90
3- Intangible Assets										
Computer Software	16.55	0.54		17.09	15.06	0.94	0.00	16.00	1.09	1.49
TOTAL- CURRENT YEAR INTANGIBLE ASSETS	16.55	0.54	0.00	17.09	15.06	0.94	0.00	16.00	1.09	1.49
Grand Total (Current year)	9619.69	287.83	180.01	9727.51	7557.54	192.72	0.00	7750.26	1977.25	2062.15

Capital Work-In-Progress - Ageing Schedule as on 31st March 2024

Capital Work In Progress	(Rs. In Lakhs)			
	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Solar power 970KVA	55.78	363.90		
Air Compressor (28.03.2024)	11.72			
NANSEY RESTORATION LLP (building)	2.70	0.00		
TOTAL	70.20	363.90		

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED										
NOTES FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH 2023										
Property, Plant, Equipment and Other Intangible Assets										
										For 2022 - 2023
(Rs.in Lakhs)										
Particulars	Gross Block			Accumulated Depreciation				NET BLOCK		
	Balance as on 1st April 2022	Additions during the year	Deletions during the year	Balance as at 31st March 2023	Balance as on 1st April 2022	Depreciation charge for the year	Depreciation on deletions during the year	Balance as at 31st March 2023	WDV as on 31st March 2023	WDV as on 1st April 2022
<u>1. Property, Plant and Equipment</u>										
Land	22.87	0.00	0.00	22.87	0.00	0.00	0.00	0.00	22.87	22.87
Buildings	1167.86	58.56	0.00	1226.42	939.22	20.99	0.00	960.21	266.21	228.64
Plant and Machinery	6903.38	325.22	155.02	7073.58	5978.00	128.21	148.60	5957.61	1115.97	925.38
Electrical Installation	327.69	21.92	0.00	349.61	308.39	2.66	0.00	311.05	38.56	19.30
Furniture, Fixtures	176.18	26.12	0.00	202.30	162.51	5.01	0.00	167.52	34.78	13.67
Other Assets	24.34	0.22	0.00	24.56	21.75	0.92	0.00	22.67	1.89	2.59
Vehicles	141.80	19.26	0.00	161.06	109.23	14.19	0.00	123.42	37.64	32.57
Live Stock	0.84	0.00	0.00	0.84	0.00	0.00	0.00	0.00	0.84	0.84
TOTAL - CURRENT YEAR TANGIBLE ASSETS	8764.96	451.30	155.02	9061.24	7519.10	171.98	148.60	7542.48	1518.76	1245.86
2 - Capital Work In Progress	176.73	365.17	0.00	541.90	0.00	0.00	0.00	0.00	541.90	176.73
TOTAL - Capital Work In Progress	176.73	365.17	0.00	541.90	0.00	0.00	0.00	0.00	541.90	176.73
3- Intangible Assets										
Computer Software	14.75	1.80	0.00	16.55	14.01	1.05	0.00	15.06	1.49	0.74
TOTAL- CURRENT YEAR INTANGIBLE ASSETS	14.75	1.80	0.00	16.55	14.01	1.05	0.00	15.06	1.49	0.74
Grand Total (Current year)	8956.44	818.27	155.02	9619.69	7533.11	173.03	148.60	7557.54	2062.15	1423.33

Capital Work-In-Progress - Ageing Schedule as on 31st March 2023

Capital Work In Progress	(Amount in Rs. Lakhs)			
	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Solar power 450KVA	1.27	174.62		
Solar power 970KVA	363.90	0.00		
New Project	0.00	2.11		
TOTAL	365.17	176.73		

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2024

(in Rs. Lakhs)

NON CURRENT ASSETS

7	INVESTMENT				
	Name of the Company	No. of Shares	Face Value (Rs.)	As at 31.03.2024	As at 31.03.2023
	INVESTMENT IN EQUITY INSTRUMENT				
	<u>Non Current Investments</u>				
	-				
(a)	Quoted Investments carried at FV_{TOCI}				
	Total - Quoted			-	-
(b)	Unquoted Investments carried at Cost				
	TCP Power Limited	100.00	100	0.47	0.47
	Gamma Green Power Private Limited	6,57,263	10	65.73	65.73
	Armstrong Power Private Limited	1,398	100	0.65	1.40
	Armstrong Knitting Mill Private Limited	701	100	0.70	1.02
	SV Solars	9,000	10	0.90	0.90
	Secan Renewables Infra Private Limited	2,60,000	10	26.00	26.00
	NISO Wind Energy Private Limited	23,750	10	2.37	2.37
	Dhanalakshmi Srinivasan Sugars Limited	50,000	10	5.00	5.00
	Total - Unquoted			101.82	102.89
	Total Carrying Value			101.82	102.89

8	OTHER NON CURRENT ASSETS	Amount Rs. in lakhs	
	PARTICULARS	As at 31st Mar 2024	As at 31st Mar 2023
(i)	MAT credit Entitlement	105.95	105.95
(ii)	Capital Advances	21.40	21.40
	Total	127.35	127.35

CURRENT ASSETS**9 INVENTORIES**

PARTICULARS		Amount Rs. in lakhs	
		As at	As at
		31st Mar 2024	31st Mar 2023
(a)	Raw Materials		
	(i) Cotton	54.76	258.40
	(ii) Face Mask Fabric	1.00	9.02
	(iii) Raw Material of Garments	2.36	4.16
	(iv) Polyester Staple Fibre	40.65	113.66
		98.77	385.24
(b)	Stock-in-Process	204.91	239.50
(c)	Finished Goods		
	(i) Yarn	88.98	170.66
	(ii) Face Mask Fabric	23.11	24.14
	(iii) Fabric Stock	1.41	0.00
	(iv) Hand Bag	2.57	0.00
	(v) Cotton and PC waste	24.36	28.94
		140.43	223.74
(d)	Stock-in-trade	0.00	0.00
(e)	Stores and Spares	44.91	45.65
	Total	489.02	894.13

The mode of valuation of inventories disclosed in Note No. 5.11

10 TRADE RECEIVABLES

PARTICULARS		Amount Rs. in lakhs	
		As at	As at
		31st Mar 2024	31st Mar 2023
	<u>Current</u>		
	Trade Receivables		
	(a) Secured, considered good	0.00	0.00
	(b) Unsecured considered good	178.54	124.25
	(c) Receivable with significant increase in credit risk	0.00	0.00
	(d) Receivable which are credit impaired	0.00	0.00
	Total	178.54	124.25

TRADE RECEIVABLES AGEING SCHEDULE AS ON 31st MARCH 2024							
PARTICULARS		(Amount in Lakhs)					
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables - Considered good	178.54	-	-	-	-	178.54
(ii)	Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - Considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-
	TOTAL	178.54	-	-	-	-	178.54

TRADE RECEIVABLES AGEING SCHEDULE AS ON 31st MARCH 2023							
PARTICULARS		(Amount in Lakhs)					
		Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables - Considered good	124.25	-	-	-	-	124.25
(ii)	Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - Considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-
	TOTAL	124.25	-	-	-	-	124.25

11 CASH AND CASH EQUIVALENTS		Amount Rs. in lakhs	
		As at 31st Mar 2024	As at 31st Mar 2023
(a)	Cash on hand	3.68	4.18
(b)	Balances with Banks	22.73	34.24
	Total	26.41	38.42

12 BANK BALANCES OTHER THAN (11) ABOVE		Amount Rs. in lakhs	
PARTICULARS		As at 31st Mar 2024	As at 31st Mar 2023
(a)	Others		
	(i) Term deposits with bank held by banks as margin money	184.48	117.86
Total		184.48	117.86

13 SECURITY DEPOSITS		Amount Rs. in lakhs	
PARTICULARS		As at 31st Mar 2024	As at 31st Mar 2023
<u>Current</u>			
	Security Deposits	376.90	319.22
Total		376.90	319.22

14 CURRENT TAX ASSETS (Net)		Amount Rs. in lakhs	
PARTICULARS		As at 31st Mar 2024	As at 31st Mar 2023
	-		
	(a) Provision for current tax unpaid	0.00	0.00
	(b) Less: Tax paid pending adjustment	18.67	15.93
Total		18.67	15.93

15 OTHER CURRENT ASSETS		Amount Rs. in lakhs	
PARTICULARS		As at 31st Mar 2024	As at 31st Mar 2023
	(i) Advances to Supplier/Contractors	100.60	123.37
	(ii) Prepaid Expenses	26.89	28.53
	(iii) CGST Input Credit	28.14	79.65
	(iv) Travelling and Wages Advances	23.65	34.25
	(v) Interest Accrued and Receivable	1.60	0.69
	(vi) Discount Receivable	3.59	4.50
Total		184.47	270.99

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2024

16 - EQUITY SHARE CAPITAL		Amount in Rs.			
Particulars	31st March 2024		31st March 2023		
	No. of Shares	Amount	No. of Shares	Amount	
<u>Authorised</u>					
Equity Shares of Rs.10 each	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000	
Preference share of Rs. 10 each	50,00,000	5,00,00,000	50,00,000	5,00,00,000	
Total Authorised Share Capital	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000	
<u>Issued,Subscribed and fully paid up</u>					
Equity shares of Rs.10 each	33,32,750	3,33,27,500	33,32,750	3,33,27,500	
Note: A					
Terms / Rights attached to Equity Shares					
The company has only one class of equity shares having a par value of Rs 10/- Per share. Each Holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.					
Note: B Reconciliation of No. of shares outstanding					
During the year the company has neither issued any shares nor bought back any shares.					
Reconciliation of the shares outstanding at the beginning and at end of the year	As at 31st March 2024		As at 31st March 2023		
	No. of shares	Value Rs.	No. of shares	Value Rs.	
	33,32,750	3,33,27,500	33,32,750	3,33,27,500	
Note: C Shareholders holding more than 5% of the shares					
Name of Shareholders	As at 31st March 2024		As at 31st March 2023		
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
S. BALAKRISHNA	7,84,650	23.54	7,84,650	23.54	
R. THIRUMALAI	2,26,003	6.78	2,26,003	6.78	
R. PADMANABHAN	2,23,900	6.72	2,23,900	6.72	
R. RAJAGOPAL	2,20,800	6.63	2,20,800	6.63	
R. PADMINI	2,10,600	6.32	2,10,600	6.32	
ANIL KUMAR GOEL	1,84,100	5.52	1,84,100	5.52	
SRISH JAYENDER BALAKRISHNA	1,70,000	5.10	1,70,000	5.10	

Note: D		
The company during the period of five years immediately preceeding 31st March 2023, has not issued any bonus shares, shares for consideration other than cash and has not bought back its shares. Further the company does not have any outstanding shares issued under options as on 31-03-2023		
17 - OTHER EQUITY		
RESERVES AND SURPLUS		
Particulars	Amount Rs. in lakhs	
	31st Mar 2024	31st Mar 2023
a) General reserve	1560.57	1560.57
b) Securities Premium Reserve	443.42	443.42
c) FVTOCI Reserve	0.00	0.00
d) Retained earnings	-7125.15	-5105.65
Total	-5121.16	-3101.66
GENERAL RESERVE		
The general reserve is the profit transferred from retained earnings from time to time. There is no policy of regular transfer.		
SECURITIES PREMIUM RESERVE		
Represents excess of share subscription money received over par value of shares issued.		
FVTOCI RESERVE		
Fair value through other comprehensive income reserve represents the balance in equity for items to be accounted in other comprehensive income (OCI). The company has opted to recognise the changes in the fair value of certain investments in equity instruments. The company transfers amount from this reserve to retained earnings in case of loss / gain on actual sale.		
RETAINED EARNINGS		
Represents the portion of net income / (loss) of the company that has been retained / carried over by the company.		

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2024

NON-CURRENT LIABILITIES

18- BORROWINGS	Amount Rs. in lakhs	
	As at 31st Mar 2024	As at 31st Mar 2023
PARTICULARS		
-		
<u>Secured</u>		
Note (a)		
Vehicle Loan from IOB	4.26	9.22
Note (b)		
Term Loan from NBFC	0.00	100.00
Note (c)		
Solar Power System Loan from IOB	191.42	208.84
Solar Power System Loan from IOB	25.00	40.00
TOTAL	220.68	358.06
NOTE:		
a) The Vehicle Loan from IOB is secured by exclusive first charge by hypothecation of vehicles purchased out of the loans and personal gurantee of promoter directors		
b) Term Loan from NBFC is secured by exclusive first charge on the Windmill assets located at Udayathoor village, Radhapuram taluk, Tirunelveli district, Tamil Nadu comprising land measuring 2 acres, Building and Windmill Machinery; by way of Equitable Mortgage of land and building and Hypothecation of machinery		
c) Term Loan from IOB is secured by exclusive first charge on the Solar Power System assets located at Ragnathapuram village, Arni taluk, Tiruvannamalai district, Tamil Nadu comprising Solar Power Machinery; by way of Equitable Mortgage of Hypothecation of machinery		

19- DEFERRED TAX LIABILITIES/(ASSETS)	As at	As at
	31st Mar 2024	31st Mar 2023
Deferred Tax Liability/(Asset) relating to Items not Reclassified into Profit or Loss in the beginning	9.05	3.51
Income tax on remeasurement of Defined Benefit Obligation	-9.05	5.54
Deferred Tax Liability/(Asset) relating to Items not Reclassified into Profit or Loss in the end	-	9.05
Deferred tax Liability relating to Items in Profit/Loss		
Deferred tax Liability/(Asset) at the beginning of the year	0.00	0.00
Add/(Less) Transfer from/To Profit and loss account during the year	0.00	0.00
Closing Balance Deferred Tax Liabilit/(Asset)	0.00	0.00

Major Components of Deferred Tax Liability/(Asset)	As at	As at
	31st Mar 2024	31st Mar 2023
Deferred Tax Liability		
i) Deferred tax on Account of Property, Plant and Equipment	278.90	285.67
ii) Deferred tax on timing differences relating to certain Incomes	0.48	0.21
Deferred Tax Assets	-	-
i) Deferred Tax on timing differences of certain Expenses and Current Tax Assets	265.42	-220.42
ii) Deferred Tax Due to Unabsorbed Business Losses	4,542.56	2,613.71
iii) MAT Credit Entitlement	105.95	-105.94
Deferred Tax Liability/(assets)	4,634.55	2,654.19

THE COMPANY DOES NOT RECOGNISE DEFERRED TAX ASSETS

CURRENT LIABILITIES

20 - BORROWINGS

PARTICULARS	Amount Rs. in lakhs	
	As at	As at
	31st Mar 2024	31st Mar 2023
Borrowings Secured		
-From banks		
(a) Indian Overseas Bank		
(i) Open Loan	0.00	0.00
(b) State Bank of India		
(i) Open Loan	0.00	0.00
Total	0.00	0.00

Note on Security Created

The open loan, Bills discounting **, and letter of Credit limits for Working Capital** from Indian Overseas Bank, Esplanade Branch, Chennai - 600 108 and Open loan, Bills discounting** and letter of Credit Limits for working capital** from State Bank of India, Leather and International Branch, Chennai - 600 002 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

- Equitable Mortgage on first pari passu basis of company's factory land and buildings in Arni Taluk, Tamilnadu, and Registered Office land and building in Chennai.
- Hypothecation on first pari passu basis of all movable fixed assets, excluding assets which are charged on exclusive basis.

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. 36 (B) .

21 -BORROWINGS - UNSECURED	Amount Rs. in lakhs	
	As at	As at
	31st Mar 2024	31st Mar 2023
PARTICULARS		
(i) Loan from related parties repayable on demand	1199.20	955.20
Total	1199.20	955.20

22- TRADE PAYABLES	Amount Rs. in lakhs	
	As at	As at
	31st Mar 2024	31st Mar 2023
PARTICULARS		
Due to micro and small enterprises	17.20	17.06
Due to other than micro and small enterprises	4761.07	3497.58
Total	4778.27	3514.64

TRADE PAYABLES AGEING SCHEDULE (Amount in Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment as at 31st March 2024				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	17.20	-	-	-	17.20
(ii) Others	4,761.07		-		4,761.07
(iii) Disputed dues – MSME		-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
TOTAL	4,778.27	-	-	-	4,778.27

TRADE PAYABLES AGEING SCHEDULE (Amount in Lakhs)

PARTICULARS	Outstanding for following periods from due date of payment as at 31st March 2023				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	17.06	-	-	-	17.06
(ii) Others	3,497.58		-		3,497.58
(iii) Disputed dues – MSME		-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
TOTAL	3,514.64	-	-	-	3,514.64

i) Details relating to Micro and Small Enterprises is as follows:

Particulars	(Rs. in Lakhs)	
	31-03-2024	31-03-2023
i) Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year (but within due date as per the MSMED Act, 2006)		
Principal amount due to micro and small enterprise (Note 15 & 16)	17.20	17.06
Interest due on above	Nil	Nil
ii) Interest paid by the Company in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the period	56.61	47.35
iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act, 2006.	Nil	Nil
v) The amount of Interest accrued and remaining unpaid as at the end of each year	Nil	Nil
vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

23 - OTHER FINANCIAL LIABILITIES

PARTICULARS	Amount Rs. in lakhs	
	As at 31st Mar 2024	As at 31st Mar 2023
(a) Current maturities of Long Term Borrowings	474.36	290.36
(b) Advance from buyers and other Credits	58.53	116.50
(c) Interest accrued and due on borrowings	399.65	299.71
(d) Interest accrued and due on advances	0.00	3.87
(e) Disputed deemed Demand charges	15.22	15.22
(f) Creditors for expenses	440.28	392.63
Total	1388.04	1118.29

24 - PROVISIONS

PARTICULARS	Amount Rs. in lakhs	
	As at 31st Mar 2024	As at 31st Mar 2023
<u>Current</u>		
A) Provision for Employee Benefits	845.99	869.86
B) Provision for Hank Yarn Obligation	0.62	0.55
c) Provision for TDS	15.71	14.36
d) Provision for GST/VAT	4.28	1.56
Total	866.60	886.33

25 - CURRENT TAX LIABILITIES (Net)

PARTICULARS	Amount Rs. in lakhs	
	As at 31st Mar 2024	As at 31st Mar 2023
<u>Current Tax Liabilities</u>		
(a) Current year Tax Expenses	0.00	0.00
(b) Less: Tax paid pending adjustment	0.00	0.00
Current Tax Liability (NET)	0.00	0.00

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
NOTES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2024

26 - REVENUE FROM OPERATION

PARTICULARS	Amount Rs. in lakhs	
	2023-24	2022-23
(a) Sales of Products		
i) Yarn Sales	13259.04	16296.22
ii) Garments Sales	253.92	40.71
iii) Face Mask Sales	14.15	23.42
iv) Waste Sales	278.64	172.88
v) Miscellaneous Sales	5.83	5.91
vi) Job work Garments	0.76	0.00
vii) Fabric Sales	12.81	0.00
Subtotal Inclusive of GST	13825.15	16539.14
Less : GST	1118.85	1440.20
Subtotal (a)	12706.30	15098.94
(b) Other Operating Revenues		
(i) Duty drawback claim received	5.40	5.51
Subtotal (b)	5.40	5.51
REVENUE FROM OPERATION (a+b)	12711.70	15104.45

27 - OTHER INCOME

PARTICULARS	Amount Rs. in lakhs	
	2023-24	2022-23
(i) Interest income	31.62	19.55
(ii) Rent from Employees Quarters	0.39	0.40
(iii) Insurance claim Received	0.31	0.81
(iv) Miscellaneous receipt	0.48	0.35
(v) Profit on Sale of Fixed Assets	0.00	43.29
Total	32.80	64.40

SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED
NOTES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2024

28 - COST OF MATERIALS CONSUMED

PARTICULARS	Amount Rs. in lakhs	
	2023-24	2022-23
Opening Stock		
Cotton stock	258.40	433.53
Face Mask Fabric	9.02	12.52
Raw Material of Garments	4.16	
Polyster Staple Fibre	113.66	260.89
	385.24	706.94
Add: Purchases		
Cotton	5161.19	6143.40
Face Mask Fabric	3.67	8.12
Raw Material of Garments	38.09	28.56
Polyster Staple Fibre	3312.77	4264.07
	8515.72	10444.15
Less: Closing Stock		
Cotton	54.76	258.40
Face Mask Fabric	1.00	9.02
Raw Material of Garments	2.36	4.16
Polyster Staple Fibre	40.65	113.66
	98.77	385.24
Raw Material Consumed	8802.19	10765.85
Less : Sale of Facemask Raw Material	2.93	0.00
Packing Materials Consumed	152.68	192.58
Cost of materials consumed	8951.94	10958.43

29 - PURCHASE OF STOCK- IN-TRADE

PARTICULARS	Amount Rs. in lakhs	
	2023-24	2022-23
Yarn purchase	99.30	141.98
Total	99.30	141.98

30 - CHANGES IN INVENTORIES OF WORK-IN-PROCESS

PARTICULARS	Amount Rs. in lakhs	
	2023-24	2022-23
Work-in-Process - Opening stock	239.50	354.10
Work-in-Process - Closing stock	204.91	239.50
Sub Total	34.59	114.60

31 - CHANGES IN INVENTORIES OF FINISHED GOODS

PARTICULARS	Amount Rs. in lakhs	
	2023-24	2022-23
Finished Goods - Opening stock	223.74	354.34
Finished Goods - Closing stock	140.43	223.74
Sub Total	83.31	130.60

32 - EMPLOYEE BENEFITS EXPENSE

PARTICULARS	Amount Rs. in lakhs	
	2023-24	2022-23
(i) Salaries Wages and Bonus	1610.14	1538.15
(ii) Contribution to Employees PF & Family Pension Fund	77.25	79.11
(iii) Provision for contribution to Gratuity Fund	35.56	69.53
(iv) Workmen & Staff Welfare Expenses	83.05	103.27
(v) Managerial Remuneration (Ref.Annex.I)	72.60	68.65
Total	1878.60	1858.71

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Managerial Remuneration	Amount Rs. in lakhs	
	2023-24	2022-23
(a) Salary	53.51	48.64
(b) Contribution to PF	3.85	3.51
(c) Provision for Bonus	1.45	2.43
(d) Medical Reimbursement	2.78	2.45
(e) Provision for Gratuity	6.11	5.25
(f) Directors Sitting Fees	4.90	6.37
	72.60	68.65

33 - FINANCE COSTS

PARTICULARS	Amount Rs. in lakhs	
	2023-24	2022-23
Finance Expenses		
(a) Interest on Term Loan from Banks	8.26	18.09
(b) Interest on Term Loan from NBFC	42.00	38.50
(c) Interest on working capital borrowing from banks	76.66	52.88
(d) Interest- others	261.82	227.97
(e) Interest- MSME	1.70	1.20
(f) Bank Charges	52.18	48.35
(g) Foreign Exchange Rate Fluctuation	-6.07	-12.27
Total	436.55	374.72

34 - OTHER EXPENSES

PARTICULARS	Amount Rs. in lakhs	
	2023-24	2022-23
MANUFACTURING AND OTHER OPERATING EXPENSES		
i) Power and fuel	2040.36	2199.06
ii) Fabric Conversion Charges	1.69	0.00
iii) Repairs & Maintenance		
(a) Building	44.74	74.24
(b) Machinery	305.91	446.56
(c) Others	13.48	16.15
Total (a)	2406.18	2736.01
ADMINISTRATION AND OTHER CHARGES		
(a) Insurance	10.51	11.51
(b) Vehicle Maintenance	96.99	82.42
(c) Rates, Renewal & Taxes	16.19	15.29
(d) Other Administrative Expenses	135.25	166.33
Total (b)	258.94	275.55
Selling Expenses		
(a) Commission & Brokerage on Yarn Sales	73.84	118.55
(b) Godown Rent	0.00	0.00
(c) Freight & Other selling expenses	326.88	283.69
Total (c)	400.72	402.24
GRAND TOTAL (a+b+c)	3065.84	3413.80

35 - EXCEPTIONAL ITEMS

----- NIL -----	0.00	0.00
	0.00	0.00

Notes forming part of the Financial Statements

Note 36 (A) : Category wise classification of Financial Instruments:

(Amt in Lakhs)

Particulars	Note	Non-Current		Current	
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)					
Investments in quoted equity shares		---	---	---	---
Investments in Unquoted equity shares	7	101.82	102.89		
Total		101.82	102.89	---	---
Financial Assets measured at amortised cost					
Security Deposit	13	---	---	376.90	319.22
Others	15	---	---	---	---
Trade Receivables	10	---	---	178.54	124.25
Cash and Cash Equivalents	11	---	---	26.41	38.42
Other Balances with Banks	12	---	---	184.48	117.86
Total		---	---	766.33	599.75
Financial Liabilities measured at amortised cost					
Payable towards term loan	17,25	220.68	358.06	474.36	290.36
Payable towards Micro and Small enterprises	22	---	---	17.20	17.06
Payable towards Goods	22	---	---	4,761.07	3,497.58
Payable towards services		---	---	---	---
Unpaid/Unclaimed Dividend		---	---	---	---
Payable towards Other expenses	25	---	---	855.15	707.56
Total		220.68	358.06	6,107.78	4,512.56

1. The fair value of investment in quoted equity shares measured at quoted price on the reporting date.

2. In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

3. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Notes forming part of the Financial Statements

Note 36 (A) : Fair value Measurements

(i) Fair value measurement hierarchy of the Company's financial assets and liabilities:

(Amt in Lakhs)

Financial assets	Fair value	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at Fair Value through Other Comprehensive Income (Note 7)				
As at 31.03.2024				
Investments in quoted equity shares	---	---	---	---
Investments in unquoted equity shares - Other Entities	102.15	---	---	101.82
As at 31.03.2023				
Investments in quoted equity shares	---	---	---	---
Investments in unquoted equity shares - Other Entities	103.24	---	---	102.89

(ii) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

NOTE NO. 36 (B)

DISCLOSURES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024.

i) Contingent Liabilities and Commitments not provided for

Particulars	(Rs.in lakhs)	
	As at 31.03.2024	As at 31.03.2023
<u>a) Contingent Liabilities</u>		
Contingent Liabilities not provided for in respect of:		
1. Export Bills Discounted under irrevocable Letters of Credit issued by Foreign Banks	21.47	49.76
2. Disputed Income Tax Liabilities	0.00	0.00
3. Disputed Contribution to Employees State Insurance Corporation	0.00	0.00
<u>b) Commitments</u>		
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	0.00	0.00

ii) Details of Auditors' Remuneration:

Particulars	Rs.in lakhs	
	2023-24	2022-23
Statutory Audit	2.75	2.75
Total	2.75	2.75

iii) Confirmation of balances from Debtors, Creditors, and advances to suppliers have not been received in certain cases.

iv) Items of revenue / expense amounting to more than 1% of total turnover have been disclosed separately.

v) Previous year's figures have been re-grouped wherever necessary to conform to this year's classification.

Notes forming part of the Financial Statements.

vi) As per IND AS 19, Employees Benefit, the disclosure of employees benefits as defined in the accounting standard are given below:

Particulars	Rs.in lakhs	
	31/03/2024	31/03/2023
a) Defined Contribution Plan Employers Contribution to provident Fund	67.51	68.79
b) Gratuity Plan (funded) (Excluding Directors)		
Present value of the obligation at the beginning of the period	534.81	524.09
Interest Cost	38.35	37.42
Current service cost	24.12	24.12
Past Service Cost	0.00	0.00
Less: Benefits paid (if any)	0.00	0.00
Actuarial (gain)/loss	(7.78)	(50.82)
Present value of the obligation at the end of the period	589.50	534.81
Actuarial Assumptions		
Discount Rate (per annum)	6.97%	7.17%
Rate of increase in compensation levels	5.00%	5.00%
Attrition rate	2.00%	2.00%
Expected rate of return on plan Assets	6.97%	7.17%

The company has not funded gratuity liability to Employees Gratuity Fund as per actuarial valuation for the last 13 years and the total amount to be funded is Rs.574.59 Lakhs. (As on 31.03.2023 Rs.531.11 Lakhs).

The sensitivity analysis below has been determined based on changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

Particulars	(Rs. in Lakhs)	
	31.03.2024	31.03.2023
Discount Rate		
- 0.5% Increase	-18.88	-18.15
- 0.5% decrease	20.12	19.17
Salary Growth Rate		
- 0.5% Increase	20.10	19.68
- 0.5% decrease	-19.31	-18.97

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Notes forming part of the Financial Statements

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

Earning Per Share:

Particulars	Rs.in lakhs	
	2023-24	2022-23
Total Comprehensive Income for the period (A)	(2,019.31)	(1,988.70)
Adjusted weighted average number of equity shares (B)	33.33	33.33
Basic and Diluted Earnings Per Share (Rs.) (A)/(B)	(60.59)	(59.67)

vii) Related party transactions:

As per the IND AS 24 – Related party transactions, the company's related party and the details of transactions the company had with them are given below:

a) Key Managerial Personnel

Name of the Key Managerial personnel	Designation
1. Sri. Balakrishna S	Managing Director and Chief Executive Officer
2. Sri. R. Padmanaban	Joint Managing Director and Chief Financial Officer
3. Sri Jitendra Kumar Pal	Company Secretary
4. Sri J.M. Grover	Independent Director
5. Sri. S Sridhara Rao	Independent Director
6. Ms. Sivarani J	Director

b) Relatives of Key Managerial Personnel

Name of the Key Managerial personnel	Relationship
1. Sri. R. Thirumalai	Brother of Sri. R. Padmanaban, JMD & CFO
2. Sri. R. Rajagopal	Brother of Sri. R. Padmanaban, JMD & CFO
3. Sri. Srish Jayender Balakrishna	Son of Sri. Balakrishna S, MD & CEO

c) Companies over which KMP/Relatives of KMP exercise significant influence:

1.	Munnish Innerwear Pvt Ltd.,
2.	Sherhood Properties Private Limited
3.	Masterjee Institute of Studies Pvt Ltd.,
4.	SLST INDUSTRIES LIMITED
5.	Sinecera Tulip Pvt Ltd.,
6.	Novezo Consulting Private Limited
7.	Pattukottai Mess Private Limited
8.	Southern Feast Ventures Pvt Ltd.,
9.	Sam Agri Realty LLP

Notes forming part of the Financial Statements.

- d) Other entities over which there is a significant influence is NIL.
- e) Disclosure in respect of related party transactions (excluding Reimbursement) during the year and outstanding balances including commitments as at the reporting date:

i) Payments made to Directors.

Key Managerial personnel – Directors	Rs.in lakhs	
	2023-24	2022-23
Sri. J.M. Grover - Independent Director	1.63	2.41
Sri. S. Sridhara Rao - Independent Director	1.81	2.41
Smt. Sivarani J - Director	1.45	1.55

ii) Remuneration to Key Management Personnel

Key Managerial personnel	Rs.in lakhs	
	2023-24	2022-23
Sri.Balakrishna S, Managing Director & CEO	41.59	37.72
Sri.R. Padmanaban, Joint Managing Director & CFO	26.11	24.56
Smt.Geetha Sundaraghavan, Company Secretary	--	--
Sri Jitendra Kumar Pal, Company Secretary	12.16	11.57
Relatives of KMP		
Sri. R. Thirumalai, Production Manager	19.63	17.83
Sri. R. Rajagopal, Administrative Manager	8.26	7.62
Sri. Srish Jayender Balakrishna, General Manager - Marketing	8.03	7.30

iii) Loan and advances (borrowings) from Key Management Personnel:

Amount taken from Key Management Personnel	Rs.in lakhs	
	2023-24	2022-23
i) Amount taken from Sri. R. Padmanaban, Joint Managing Director / Chief Financial Officer.		
a) Outstanding as on 31 st March	(1160.20)	(916.20)
b) Maximum amount outstanding during the year	(1160.20)	(916.20)
c) Rate of Interest – Payable	11.00%	11.00%
d) Interest	108.98	90.17

Amount taken from Key Management Personnel	Rs.in lakhs	
	2023-24	2022-23
ii) Amount taken from Sri. Balakrishna S Managing Director & CFO		
a) Outstanding as on 31 st March	(39.00)	(39.00)
b) Maximum amount outstanding during the year	(39.00)	(39.00)
c) Rate of Interest – Payable	11.00%	-
d) Interest	4.29	-

Notes forming part of the Financial Statements.

- iv) Disclosure of key Management Personnel compensation in total and for each of the following categories: (Rs. Lakhs)

Key managerial personnel	For 2023-24				For 2022-23			
	Short term benefits	Defined contribution	Defined benefit plans (provision)	Total	Short term benefits	Defined contribution	Defined benefit plans (provision)	Total
Sri. Balakrishna S, Managing Director & CEO	35.10	2.30	4.20	41.59	31.96	2.09	3.67	37.72
Sri. R. Padmanaban Joint Managing Director & CFO	22.64	1.55	1.92	26.11	21.56	1.41	1.58	24.55
Sri Jitendra Kumar Pal, Company Secretary	11.31	0.85	0.00	12.16	10.72	0.85	0.00	11.57

NOTE:

- Short term benefits include bonus, and value of perquisites.
- Defined contribution consists of contribution to Provident fund.
- As the liability for gratuity is provided on an actuarial basis for the company as a whole, amounts accrued pertaining to these key managerial personnel is not included above.

Valuation technique used to determine the fair value.

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

Nature of Financial Instruments	Valuation technique	Remarks
Investment in Unlisted securities	At Cost	Nil

viii) Financial Risk Management

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyze the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, develops a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes forming part of the Financial Statements.

The company has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are lease.

Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are in several jurisdictions and operate in largely independent markets. In the case of Corporate / Export Customer, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on a case-to-case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss.

Financial Instruments and Cash deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short-term and medium-term deposits placed with Banks for margin money held for the purpose of LC. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

Liquidity Risk

Liquidity Risks are those risks that the Company will not be able to settle or meet its obligations on time or at a reasonable price. In the management of liquidity risk, the Company monitors and

maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day-to-day operations.

Notes forming part of the Financial Statements.

Financial arrangements

The company has access to the following undrawn borrowing facilities:

Particulars	(Rs.in lakhs)	
	31-03-2024	31-03-2023
Working capital and other facilities		
Expiring within one year	63.14	64.45
Expiring beyond year	Nil	Nil

Maturities of Financial Liabilities

Nature of Financial Liability	(Rs.in lakhs)			
	< 1 Year	1-5 Years	> 5 Years	Total
As at 31-03-2024				
Borrowing from Banks & NBFC	474.36	220.68	Nil	695.04
Trade payable	4778.27	Nil	Nil	4778.27
Other financial Liability	932.63	Nil	Nil	932.63
Unsecured Borrowing	1199.20	Nil	Nil	1199.20
As at 31-03-2023				
Borrowing from Banks & NBFC	290.36	358.06	Nil	648.42
Trade payable	3514.64	Nil	Nil	3514.64
Other financial Liability	827.94	Nil	Nil	827.94
Unsecured Borrowing	955.20	Nil	Nil	955.20

Foreign Currency Risk

The Company's exposure in USD and other foreign currency denominated transactions in connection with the import of cotton, capital goods & spares, besides exports of finished goods in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract after taking into consideration the anticipated foreign exchange inflows/ outflows, timing of cash flows, tenure of the forward contract and prevailing foreign exchange market conditions.

The company's exposure to foreign currency risk (Un – hedged) as detailed below:

Currency	Trade Payables	Trade and other Receivables	Balance with Banks
In USD			
As at 31-03-2024	Nil	Nil	Nil
As at 31-03-2023	Nil	Nil	Nil
In EURO			
As at 31-03-2024	Nil	Nil	Nil
As at 31-03-2023	Nil	Nil	Nil

Notes forming part of the Financial Statements.

Risk sensitivity on foreign currency fluctuation.

Foreign Currency	31-03-2024		31-03-2023	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	Nil	Nil	Nil	Nil
EURO	Nil	Nil	Nil	Nil

Cash flow and fair value interest rate risk

Interest rate risk arises from short-term borrowings with variable rates which exposed the Company to cash flow interest rate risk. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile to reduce both the risk of refinancing and large fluctuations of its financing cost.

Interest rate risk exposure

Particulars	Rs.in Lakhs	
	31-03-2024	31-03-2023
Variable rate Borrowings	Nil	Nil

Sensitivity on Interest rate fluctuation

Incremental Interest Cost works out to	Rs.in Lakhs	
	31-03-2024	31-03-2023
1% Increase in Interest rate	Nil	Nil
1% Decrease in Interest rate	Nil	Nil

Notes forming part of the Financial Statements.

ix) Key Financial Ratios

S. NO	RATIO	NUMERATOR	DENOMINATOR	2023-24	2022-23	% CHANGE	REMARKS
1	Current Ratio	Current Asset	Current Liabilities	0.18	0.28	-35.71	Due to increase in current liability & decrease in current assets
2	Debt Equity Ratio*	Debt	Equity	Total Equity Negative			Due to accumulated losses
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	-20.23	-22.94	-11.81	Due to Increase in Raw Material cost, Power cost
4	Return on Equity Ratio*	Profit After Taxes	Shareholders' Equity	Total Equity Negative			Due to accumulated losses
5	Inventory Turnover Ratio	Revenue	Average Inventory	18.38	12.73	44.38	Due to decrease in average inventory
6	Trade Receivables Turnover Ratio	Credit Sales	Average Trade Receivables	83.96	88.32	-4.94	
7	Trade Payables Turnover Ratio	Credit Purchases	Average Trade Payables	2.05	3.63	-43.53	Increase in Trade payables
8	Net Capital Turnover Ratio*	Revenue	Net Capital Employed	Total Equity Negative			Due to accumulated losses
9	Net Profit Ratio	Net Profit	Revenue	-0.16	-0.13	23.08	Due to Increase in Raw Material cost, Power cost
10	Return on Capital Employed Ratio*	Net Operating Profit	Capital Employed	Total Equity Negative			Due to accumulated losses
11	Return on Investment Ratio*	Net Operating Profit	Shareholders' Equity	Total Equity Negative			Due to accumulated losses

37. Summary of Reconciliation

1. Name of the Bank: Indian Overseas Bank and State Bank of India
2. Particulars of Security provided: Raw Material, Process Stock, Finished goods and Stores & Spares.

(Rs.in Lakhs)

Quarter Ended	Amount as per books of account	Amount as in the quarterly return / statement	Amount of difference	Reason for material discrepancies
Current year 2023-2024				NA
Jun -23	743.52	743.52	--	
Sep-23	811.30	811.30	--	
Dec-23	831.21	831.21	--	
Mar-24	489.02	489.02	--	

Previous year 2022-2023			
Jun -22	1475.75	1475.75	--
Sep-22	903.04	903.04	--
Dec-22	862.30	862.30	--
Mar-23	894.13	894.13	--

Notes forming part of the Financial Statements.

38. Additional disclosure requirement:

S. No.	Disclosure requirement as per amended Schedule III to the Companies Act, 2013	Reason for non-disclosure
1	Title deeds of immovable properties not held in the name of company	All title deeds are in name of the company
2	Fair value of investment property	Investment property Nil.
3	Revaluation of property, plant, and equipment	Not Applicable
4	Revaluation of intangible assets	Not Applicable
5	Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties	Nil
6	Details of benami property held	Nil
7	Willful defaulter	No
8	Relationship with struck off companies	Nil transaction
9	Registration of charges or satisfaction with Registrar of Companies (ROC)	Charges were registered in time
10	Compliance with number of layers of companies	No subsidiaries
11	Compliance with approved scheme (s) of arrangement	Not Applicable
12	Utilization of borrowed funds and share premium	Nil – See Note below
13	Undisclosed income	Nil
14	Details of Crypto Currency or Virtual Currency	No trade / investment in same.

Note: (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(s), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

(ii)The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

Annexure 13A



SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

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

CIN

L17111TN1964PLC005183

Telephone No. 044 - 28277344, Email: slst@slstarni.com, Website: www.slstindia.com

Statement of Unaudited Financial Results for the Third Quarter / Nine Months ended 31st December 2024

		(Rs.in.Lakhs)					
S.No	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.24 Unaudited	30.09.24 Unaudited	31.12.23 Unaudited	31.12.24 Unaudited	31.12.23 Unaudited	31.03.24 Audited
1	INCOME FROM OPERATIONS						
	a) Net sales/Income from operations	2663.89	2345.34	3064.65	7336.13	9882.08	12711.70
	b) Other Income	28.82	9.92	4.13	42.49	11.41	32.80
	Total Income from operations	2692.71	2355.26	3068.78	7378.62	9893.49	12744.50
2	Expenses						
	a) Cost of material consumed	1868.01	1742.94	2211.78	5252.54	7071.51	8951.94
	b) Purchases of stock in trade	21.41	26.13	45.92	96.96	98.99	99.30
	c) Changes in inventories of work-in-process	-21.73	-112.13	20.30	-21.22	9.51	34.59
	d) Changes in inventories of finished goods	-43.31	-11.10	-85.78	-62.19	-87.28	83.31
	e) Employee benefit expenses	490.81	452.62	480.72	1367.94	1474.87	1878.60
	f) Finance Cost	184.08	193.52	132.61	516.93	367.13	436.55
	g) Power & Fuel	460.91	360.87	525.01	1190.34	1611.29	2040.36
	h) Depreciation and amortisation expenses	45.55	46.60	49.04	136.39	144.36	192.72
	i) Other Expenditure	233.95	183.24	252.63	594.52	798.82	1025.48
	Total Expenses	3239.68	2882.69	3632.23	9072.21	11489.20	14742.85
3	Profit / Loss before Exceptional items & Tax (1 - 2)	-546.97	-527.43	-563.45	-1693.59	-1595.71	-1998.35
4	Add/(Less) Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
5	Profit(+)/Loss(-) Before Tax (3 - 4)	-546.97	-527.43	-563.45	-1693.59	-1595.71	-1998.35
6	Tax Expenses						
	a) Current Tax	0.00	0.00	0.00	0.00	0.00	0.00
	b) (Excess)/Short Provision Tax relating to Earlier years	0.00	0.00	0.00	0.00	0.00	0.00
	c) Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00
	Sub Total	0.00	0.00	0.00	0.00	0.00	0.00
7	Net Profit(+)/Loss for the period (5 - 6)	-546.97	-527.43	-563.45	-1693.59	-1595.71	-1998.35
8	Other Comprehensive Income (Net of Tax)	0.00	0.00	0.00	0.00	0.00	-21.12
9	Total Comprehensive Income After Tax (7 + 8)	-546.97	-527.43	-563.45	-1693.59	-1595.71	-2019.47
10	Paid-up equity share Capital (Face value of the shares Rs.10/-each)	333.28	333.28	333.28	333.28	333.28	333.28
11	Reserve and Surplus	--	--	--	--	--	-5121.17
12	Earning Per share of Rs.10/- each (in Rs.) Not Annualised)						
	a) Basic Rs.	-16.41	-15.83	-16.91	-50.82	-47.88	-60.59
	b) Diluted Rs.	-16.41	-15.83	-16.91	-50.82	-47.88	-60.59

LIMITED REVIEW REPORT

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF DIRECTORS OF SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED

Introduction

We have reviewed the accompanying statement of Standalone Unaudited Financial results of SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED, ('the Company') for the Third quarter ended 31st December 2024 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review. The financial statement has been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under section 133 of the Companies Act 2013 read with relevant rules issued thereunder.

Scope of Review

We conducted our review of the Statement in accordance with the Standard on Review Engagement ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of chartered Accounts of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited to making inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis for Qualified Opinion

We draw attention to the fact that the accumulated losses was Rs 7125.15 Lakhs upto 31st March 2024 and though the Company made a Loss of Rs.1693.59 lakhs for the Nine months ended 31st December 2024, the net worth remained negative as on 31st December 2024. The statement of profit and loss account also indicates that the company has been incurring net losses for the previous three years except for the financial year 2021-22. These events indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, the company's statement of Unaudited Financial Results for the Nine Months ended as on 31st December 2024 have been prepared using the going concern basis of accounting, based on the opinion of the management that the Company would generate sufficient profits in the foreseeable future.

Qualified Conclusion

Based on our review conducted as above, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the Statement of Unaudited standalone financial results has not been prepared in accordance with recognition and measurement principles laid down in the applicable IND AS specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Chennai
Date : February 10, 2025

**for M/s.S B S B and Associates
Firm No.012192S**

**(D.SHARAT KUMAR)
Member Ship .No.024568
Partner
CHARTERED ACCOUNTANTS**

UDIN:25024568BMOSYD2445

Annexure 14

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SLST INDUSTRIES LIMITED
CIN: U17299TN2018PLC125103**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **SLST Industries Limited** ('the Company'), which comprise the balance sheet as at 31st March, 2024, the statement of pre-operative expenses, the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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, of the state of affairs of the Company as at March 31, 2024, and its loss and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to be communicated in our report.

Responsibility of Management for 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 of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

In conducting our audit, we have considered 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 thereunder. We conducted our audit of the Standalone Ind AS financial statements 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 Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 purposes 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 Pre-operative expenses, the statement of cash flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.

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, as amended, 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 on its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

iv. The company does not have the accounting software which has the feature of recording audit trail (edit log) facility as applicable to the company with effect from April 1st, 2023 as prescribed under Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Place: Chennai
Date: May 27, 2024

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

(Chella K Srinivasan)
Partner
Membership number: 023305
UDIN: 24023305BJZWBS9305

“Annexure A” to the Independent Auditors’ Report of even date on the Financial Statements of SLST INDUSTRIES LIMITED

Referred to in Paragraph 2 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date:

(i) In respect of its property, plant and equipment. Since the Company does not have plant and equipment, the clause (i) (a),(b),(c),(d),(e) is not applicable.

(ii) According to the information and explanations given to us, the company has no inventory hence clause (ii) (a),(b) is not applicable.

(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 loans to a body corporate covered in the register maintained under Sec 189 of the Companies Act 2013 and hence clause (iii) (a),(b),(c),(d),(e),(f) are not applicable to the company.

(iv) The company has complied with the provisions of sections 185 and 186 of the companies Act, 2013, in respect of loans, investments, provided by the company. The company has not provided any guarantee or security to any company covered under Section 185. Hence, this clause is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under are applicable. Hence, this clause is not applicable.

(vi) According to information and explanations given to us, there is no operational activities during the year, hence no cost records have been maintained. Hence, this clause is not applicable.

(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 does not have any amount to be deposited with the appropriate authorities.

b. There are no undisputed amounts payable in respect of statutory due arrears as at March 31, 2024 for a period of more than six months from the date on when they become payable. Hence this clause is not applicable.

(viii) According to the information and explanation given to us the company does not have transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year. Hence this clause is not applicable.

(ix) In our opinion and according to the information and explanations given to us, the company has not taken any loans or borrowing from any financial institution, bank or Government hence, the clause (ix) (a),(b),(c),(d),(e),(f) is not applicable.

(x) According to the information and explanations given to us, the company has not made private placement of shares during the year. Hence, Clause (x) (a),(b) is not applicable.

(xi) 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. Hence, the clause is not applicable.

(xii) The Company is not a Nidhi Company. Therefore, Clause (xii) (a),(b),(c) is not applicable to the Company.

- (xiii) In our opinion all transactions with related parties are in compliance with section 177 and section 188 of companies act, 2013 and all details have been disclosed in financial statements. Hence, the clause is not applicable.
- (xiv) As the company has not commenced operations, the question of an internal audit system does not arise. Hence clause (xiv) (a),(b) is not applicable.
- (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) is not applicable.
- (xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Hence clause (xvi) (a),(b),(c),(d) is not applicable.
- (xvii) According to the information and explanation given to us the company has not commenced any operation. Hence, this clause is not applicable.
- (xviii) There hasn't been any resignation of statutory auditors during the year. Hence, this clause is not applicable.
- (xix) As the company has not commenced any operation, this clause with respect to financial ratios and other information is not applicable.
- (xx) According to the information and explanation given to us, the company has not commenced any operations and has not reported profits. Hence clause (xx) (a),(b) is not applicable.
- (xxi) The companies has no subsidiary, hence clause (xxi) is not applicable.

Place: Chennai
Date: May 27, 2024

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

(Chella K Srinivasan)
Partner
Membership number: 023305

UDIN: 24023305BJZWBS9305

SLST INDUSTRIES LIMITED
CIN: U17299TN2018PLC125103
16, Krishnama Road, Nungambakkam, Chennai – 600 034
BALANCE SHEET AS AT 31st MARCH 2024

(Rs. in thousands)

Assets	Notes	31.03.2024	31.03.2023
I. Non Current Assets			
(a) Property, Plant & Equipment		0.00	0.00
(b) Capital work in progress		0.00	0.00
(c) Financial assets			
(i) Investment		0.00	0.00
(ii) Loans		0.00	0.00
(iii) Other financial assets		0.00	0.00
(d) Other non-current assets	3	581.88	457.68
Total Non-Current Assets		581.88	457.68
II. Current Assets			
(a) Inventories		0.00	0.00
(b) Financial Assets			
(ii) Trade Receivables		0.00	0.00
(iii) Cash and cash equivalents	4	36.62	29.82
(iv) Other bank balances		0.00	0.00
(v) Loans		0.00	0.00
(c) Current Tax Assets (Net)		0.00	0.00
(d) Other current assets		0.00	0.00
Total Current Assets		36.62	29.82
TOTAL ASSETS		618.50	487.50
II. Equity and Liability			
1. Equity:			
(a) Equity Share capital	5	108.00	108.00
(b) Other Equity		0.00	0.00
Total Equity		108.00	108.00
2. Non-current liabilities:			
(a) Financial Liabilities			
i. Borrowings		0.00	0.00
a. Lease liabilities		0.00	0.00
(b) Provisions		0.00	0.00
(c) Deferred tax liabilities (Net)		0.00	0.00
(d) Other non-current liabilities		0.00	0.00
Total Non-current liabilities		0.00	0.00
Current liabilities			
(a) Financial Liabilities			
i. Borrowings	6	481.00	350.00
ii. Trade Payables			
a. Micro and small enterprises		0.00	0.00
b. others		0.00	0.00
iii. Other financial liabilities		0.00	0.00
(b) Other current liabilities		0.00	0.00
(c) Provisions	7	29.50	29.50
(d) Current Tax Liabilities (Net)		0.00	0.00
Total Current Liabilities		510.50	379.50
Total Equity and Liabilities		618.50	487.50

(R.PADMANABAN)
DIRECTOR

(BALAKRISHNA S)
DIRECTOR

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

Place: Chennai
Date: May 27, 2024

(Chella K Srinivasan)
Partner
Membership number: 023305

SLST INDUSTRIES LIMITED
CIN: U17299TN2018PLC125103

16, Krishnama Road, Nungambakkam, Chennai – 600 034

Statement of Pre-operative Expenses for the year ended 31st March 2024

(Rs.in Thousands)

S.No.	Details	31.03.2024	31.03.2023
1	Depository Service Charges	5.90	7.67
2	Transfer Agent initial fees	0.00	0.00
3	Audit Fees	29.50	25.00
4	Other Expenses	0.00	0.00
	a. Stationery	0.00	0.00
	b. GST on Audit Fees	0.00	4.50
	c. TDS return filing charges	0.00	0.00
	d. Professional Charges	88.80	37.76
	e. Filing Fees for ROC	0.00	0.00
	f. Bank Charges	0.00	0.00
	g. Professional Charges	0.00	59.00
Total of Pre-operative Expenses		124.20	133.93

(R.PADMANABAN)
DIRECTOR

(BALAKRISHNA S)
DIRECTOR

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

Place: Chennai
 Date: May 27, 2024

(Chella K Srinivasan)
 Partner
 Membership number: 023305

SLST INDUSTRIES LIMITED
CIN: U17299TN2018PLC125103
16, Krishnama Road, Nungambakkam, Chennai – 600 034
Cash Flow Statement for the year ended on 31st March 2024

Particulars	31.03.2024	31.03.2023
(Rs.in Thousands)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Company yet to commence operation)		
Pre-operative expenses	-124.20	-133.93
Cash outflow on pre-operative expenses	-124.20	-133.93
Adjustments for :-		
- Increase in Provision	0.00	-
- Increase in other current assets	-	-
Net Cash outflow on account of pre-operative expenses (a)	-124.20	-133.93
B.CASH FLOW FROM INVESTING ACTIVITIES	0.00	0.00
C.CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from equity share issues	0.00	0.00
Increase in Borrowings	131.00	150.00
NET CASH FROM FINANCING ACTIVITIES (c)	131.00	150.00
Net Change in Cash and Cash Equivalent (a+b+c)	6.80	16.07
Cash and Cash Equivalent as at beginning	29.82	13.75
Cash and Cash Equivalent as at end	36.62	29.82

(R.PADMANABAN)
DIRECTOR

(BALAKRISHNA S)
DIRECTOR

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

Palce: Chennai
Date: May 27, 2024

(Chella K Srinivasan)
Partner
Membership number: 023305

SLST INDUSTRIES LIMITED
CIN: U17299TN2018PLC125103

16, Krishnama Road, Nungambakkam, Chennai – 600 034

STATEMENT OF CHANGES IN EQUITY AND OTHER EQUITY FOR THE PERIOD ENDED MARCH 31, 2024

A. Equity Share Capital

1)Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
108000				108000

2)Previous Reporting Period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
108000				108000

(R.PADMANABAN)
DIRECTOR

(BALAKRISHNA S)
DIRECTOR

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

Palce: Chennai
Date: May 27, 2024

(Chella K Srinivasan)
Partner
Membership number: 023305

NOTES TO ACCOUNTS

Note 1: Company Overview:

SLST Industries Limited a Public Limited Company incorporated under the Companies Act 2013, on 4th October 2018 and has its Registered Office at New No.16, Old No.17, Krishnamachari Road, Nungambakkam, Chennai – 600 034. The company has been incorporated for establishing a spinning mill. The company is taking steps to establish a spinning mill and commercial operation is to yet to begin. The financial statements of the company for the year ended on 31st March 2024 .

Note 2: Basis of preparation and presentation of financial statement.

- (A) The Company has voluntarily opted to apply Indian Accounting Standard (IND AS) and its financial statements are prepared in accordance with Indian Accounting Standard (IND AS).
- (B) A Note on significant accounting policies used in preparing the financial statement will be presented on commencement of commercial operation.

NOTE 3: Other Non-Current Assets

Pre-operative Expenses	Rs.in Thousands
Balance as on 01.04.2018	N.A.
Expenses during the period ended on 31.03.2019	97.24
Balance as at 31.03.2019	97.24
Add: Preoperative Expenses during the year 2019-2020	72.43
Balance as at 31.03.2020	169.67
Add: Preoperative Expenses during the year 2020-2021	79.64
Add: Preoperative Expenses during the year 2021-2022	74.44
Add: Preoperative Expenses during the Year 2022-2023	133.93
Add: Preoperative Expenses during the PERIOD 31.03.024	124.20
Total Pre-operative Expenses as on 31.03.2024	581.88

NOTE 4: Cash and cash equivalents

Particulars	Rs.in Thousands	Rs.in Thousands
	Current Year	Previous Year
Balance in current account with bank	36.62	29.82

NOTE 5: Equity Share capital

Particulars	Current Year		Previous Year	
	No.of Shares	Rs.in Thousands	No.of Shares	Rs.in Thousands
Authorised:				
Equity Shares of Rs.9 each from 2021-22	12000	108	12000	108
Equity Shares of Rs.10 each up to 2020-21				
Issued, Subscribed and fully paid				
Issued, Subscribed and fully paid	12000	108	12000	108

a) Reconciliation of shares outstanding at the beginning and as at reporting date: No change during the period

b) Rights, preferences and restrictions attached to equity shares: The Equity shares of the company having par value of ` 9 per share rank pari passu in all respects including voting rights, dividend entitlement and repayment of capital.

Note C:

Shareholding more than 5% of the shares.

Name of the shareholder	Current Year		Previous Year	
	No.of shares	% of holding	No.of shares	% of holding
S BALAKRISHNA	1500	12.5	1500	12.5
R. PADMANABHAN	1500	12.5	1500	12.5
R RAJAGOPAL	1500	12.5	1500	12.5
R THIRUMALAI	1500	12.5	1500	12.5
R PADMINI	1500	12.5	1500	12.5
SHANTHA SRIHARI	1500	12.5	1500	12.5
SRISH JAYENDER BALAKRISHNA	1500	12.5	1500	12.5
SANGEETA KRISNA	1500	12.5	1500	12.5

Note D:

Shareholding of Promoters

Name of the shareholder	Current Year		Previous Year	
	No.of shares	% of holding	No.of shares	% of holding
S BALAKRISHNA	1500	12.5	1500	12.5
R. PADMANABHAN	1500	12.5	1500	12.5
R RAJAGOPAL	1500	12.5	1500	12.5
R THIRUMALAI	1500	12.5	1500	12.5
R PADMINI	1500	12.5	1500	12.5
SHANTHA SRIHARI	1500	12.5	1500	12.5
SRISH JAYENDER BALAKRISHNA	1500	12.5	1500	12.5
SANGEETA KRISNA	1500	12.5	1500	12.5

Note: (i) There is no change in the % of holding in the case of any promoter during the reporting period.

NOTE 6: Borrowings

Particulars	Current Year	Previous Year
	Rs.in Thousands	Rs.in Thousands
a. Loan from Directors payable on demand-related party	481	350
Total	481	350
Additional Information		
Particulars	Current Year	Previous Year
	Rs.in Thousands	Rs.in Thousands
Related Party transactions		
(i) Amount taken as loan from Sri Balakrishna S, Director	406	275
(ii) Amount taken as loan from Sri R.Padmanaban, Director	75	75
Total	481	350

(iii) Maximum amount was also the same and there was no interest.

NOTE 7: Provisions

Particulars	Current Year	Previous Year
	Rs.in Thousands	Rs.in Thousands
a. Provision for Audit fees	29.50	29.50
b. Provision for NSDL	0.00	0.00
c. Provision for professional charges for audit certification	0.00	0.00
Total	29.50	29.50

NOTE 8: Key Financial Ratios

Ratios	Numerator	Denominator	As At 31.03.2024	As At 31-03-2023	% Variance	Reasons for Variance
Current ratio	Current assets	Current liabilities	0.07	0.08	-13%	
Debt Equity ratio	Debt	Shareholder's Equity	0	0	0.00	Not Applicable
Debt service coverage ratio	Earnings available for debt service	Debt service	0	0	0.00	Not Applicable
Return on equity ratio	Net Profit after taxes	Average Shareholder's Equity	0	0	0.00	Not Applicable
Inventory turnover ratio	Cost of Goods Sold	Average Inventory	0	0	0.00	Not Applicable
Trade receivables turnover ratio	Net credit sales	Average Trade Receivables	0	0	0.00	Not Applicable
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0	0	0.00	Not Applicable
Net capital turnover ratio	Revenue	Working Capital	0	0	0.00	Not Applicable
Net profit ratio	Net Profit after taxes	Revenue	0	0	0.00	Not Applicable
Return on capital employed	Net Operating Profit	Capital Employed	0	0	0.00	Not Applicable
Return on investment	Net Operating Profit	Shareholder's Equity	0	0	0.00	Not Applicable

NOTE 9: Additional disclosure requirement:

S.No.	Disclosure requirement as per amended Schedule III to the Companies Act, 2013	Reason for non disclosure
1	Title deeds of immovable properties not held in the name of company	The Company does not have any immovable property
2	Fair value of investment property	The Company does not have any investment property
3	Revaluation of property, plant and equipment	Not Applicable
4	Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties	Not Applicable
5	Details of binami property held	Nil
6	Willful defaulter	No
7	Relationship with struck off companies	Nil transaction
8	Registration of charges or satisfaction with Registrar of Companies (ROC)	There is no registration of charges / satisfaction
9	Compliance with number of layers of companies	No subsidiaries
10	Compliance with approved scheme (s) of arrangement	Not Applicable
11	Utilisation of borrowed funds and share premium	Nil - See note below
12	Undisclosed income	Nil
13	Details of Crypto Currency or Virtual Currency	No trade / investment in the same
14	Trade Payable/ Trade receivables / Capital work in progress and intangible assets under development - Ageing schedule	The Company does not have any trade payable/trade receivables/ Capital work in progress and intangible assets under development as at reporting date.
15	Current maturity of Long term borrowings	The company does not have any Long term borrowing
16	Corporate Social Responsibility	The provisions of Corporate Social Responsibility is not applicable to the Company.

Note:

(i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

(ii) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

NOTE 10: Related Party Disclosures:

1. Names of the transacting Related Parties and description of Relationship	Mr. Balakrishna S - Director (Key Managerial Personal)
2. Description of transaction	The Company has Borrowed Rs.1,31,000/- from the Director during the period.

Note 11: Disclosures forming part of financial statements for the year ended on 31.03.2023

(i) As the company did not commence commercial operation, there is no statement of profit and loss.

(ii) Figures are stated in Rupees in thousands.

(iii) Figures were grouped or re-grouped wherever necessary.

(R.PADMANABAN)
DIRECTOR

(BALAKRISHNA S)
DIRECTOR

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

Place: Chennai
Date: May 27, 2024

(Chella K Srinivasan)
Partner
Membership number: 023305

Annexure 14A

SLST INDUSTRIES LIMITED

CIN: U17299TN2018PLC125103

16, Krishnama Road, Nungambakkam, Chennai – 600 034

BALANCE SHEET AS AT DECEMBER 31, 2024

(Rs. in thousands)

Assets	Notes	31.12.2024	31.03.2024
I. Non Current Assets			
(a) Property, Plant & Equipment		0.00	0.00
(b) Capital work in progress		0.00	0.00
(c) Financial assets			
(i) Investment		0.00	0.00
(ii) Loans		0.00	0.00
(iii) Other financial assets		0.00	0.00
(d) Other non-current assets	3	726.73	581.88
Total Non-Current Assets		726.73	581.88
II. Current Assets			
(a) Inventories		0.00	0.00
(b) Financial Assets			
(ii) Trade Receivables		0.00	0.00
(iii) Cash and cash equivalents	4	4.57	36.62
(iv) Other bank balances		0.00	0.00
(v) Loans		0.00	0.00
(c) Current Tax Assets (Net)		0.00	0.00
(d) Other current assets		0.00	0.00
Total Current Assets		4.57	36.62
TOTAL ASSETS		731.30	618.50
II. Equity and Liability			
1. Equity:			
(a) Equity Share capital	5	108.00	108.00
(b) Other Equity		0.00	0.00
Total Equity		108.00	108.00
2. Non-current liabilities:			
(a) Financial Liabilities			
i. Borrowings		0.00	0.00
a. Lease liabilities		0.00	0.00
(b) Provisions		0.00	0.00
(c) Deferred tax liabilities (Net)		0.00	0.00
(d) Other non-current liabilities		0.00	0.00
Total Non-current liabilities		0.00	0.00
Current liabilities			
(a) Financial Liabilities			
i. Borrowings	6	523.00	481.00
ii. Trade Payables			
a. Micro and small enterprises		0.00	0.00
b. others		0.00	0.00
iii. Other financial liabilities		0.00	0.00
(b) Other current liabilities		0.00	0.00
(c) Provisions	7	100.30	29.50
(d) Current Tax Liabilities (Net)		0.00	0.00
Total Current Liabilities		623.30	510.50
Total Equity and Liabilities		731.30	618.50

(R.PADMANABAN)
DIRECTOR

DIN: 00084579

(BALAKRISHNA S)
DIRECTOR

DIN: 00084524

For M/S. S.VISWANATHAN, LLP
Chartered Accountants
Regn No:04770S/S20025Place: Chennai
Date: 10.02.2025(Chella K Srinivasan)
Partner
Membership number: 023305

SLST INDUSTRIES LIMITED
CIN: U17299TN2018PLC125103

16, Krishnama Road, Nungambakkam, Chennai – 600 034

Statement of Pre-operative Expenses for the Nine months ended DECEMBER 31, 2024

(Rs.in Thousands)

S.No.	Details	31.12.2024	31.03.2024
1	Depository Service Charges	5.90	5.90
2	Transfer Agent initial fees	0.00	0.00
3	Audit Fees	29.50	29.50
4	Other Expenses	0.00	0.00
	a. Stationery	0.00	0.00
	b. GST on Audit Fees	0.00	0.00
	c. TDS return filing charges	0.00	0.00
	d. Professional Charges	38.65	88.80
	e. Filing Fees for ROC	0.00	0.00
	f. Bank Charges	0.00	0.00
	g. Professional Charges	70.80	0.00
Total of Pre-operative Expenses		144.85	124.2

(R.PADMANABAN)
DIRECTOR
DIN: 00084579

(BALAKRISHNA S)
DIRECTOR
DIN: 00084524

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

Place: Chennai
Date: 10.02.2025

(Chella K Srinivasan)
Partner
Membership number: 023305

SLST INDUSTRIES LIMITED
CIN: U17299TN2018PLC125103

16, Krishnama Road, Nungambakkam, Chennai – 600 034

STATEMENT OF CHANGES IN EQUITY AND OTHER EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 2024

A. Equity Share Capital

1) Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
108000				108000

2) Previous Reporting Period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
108000				108000

(R.PADMANABAN)
DIRECTOR
DIN: 00084579

(BALAKRISHNA S)
DIRECTOR
DIN: 00084524
For M/S. S.VISWANATHAN, LLP
Chartered Accountants
Regn No:04770S/S20025

Place: Chennai
Date: 10.02.2025

(Chella K Srinivasan)
Partner
Membership number: 023305

NOTES TO ACCOUNTS

Note 1: Company Overview:

SLST Industries Limited a Public Limited Company incorporated under the Companies Act 2013, on 4th October 2018 and has its Registered Office at New No.16, Old No.17, Krishnamachari Road, Nungambakkam, Chennai – 600 034. The company has been incorporated for establishing a spinning mill. The company is taking steps to establish a spinning mill and commercial operation is to yet to begin. The financial statements of the company for the Nine months ended on 31st December 2024 .

Note 2: Basis of preparation and presentation of financial statement.

(A) The Company has voluntarily opted to apply Indian Accounting Standard (IND AS) and its financial statements are prepared in accordance with Indian Accounting Standard (IND AS).

(B) A Note on significant accounting policies used in preparing the financial statement will be presented on commencement of commercial operation.

NOTE 3: Other Non-Current Assets

Pre-operative Expenses	Rs.in Thousands
Balance as on 01.04.2018	N.A.
Expenses during the period ended on 31.03.2019	97.24
Balance as at 31.03.2019	97.24
Add: Preoperative Expenses during the year 2019-2020	72.43
Add: Preoperative Expenses during the year 2020-2021	79.64
Add: Preoperative Expenses during the year 2021-2022	74.44
Add: Preoperative Expenses during the Year 2022-2023	133.93
Add: Preoperative Expenses during the year 2023-2024	124.20
Add: Preoperative Expenses period ended 31.12.024	144.85
Total Pre-operative Expenses as on 31.12.2024	726.73

NOTE 4: Cash and cash equivalents

Particulars	31.12.2024	31.03.2024
Balance in current account with IOB	4.57	36.62

NOTE 5: Equity Share capital

Particulars	31.12.2024		31.03.2024	
	No.of Shares	Rs.in Thousands	No.of Shares	Rs.in Thousands
Authorised:				
Equity Shares of Rs.9 each	12000	108	12000	108
Issued, Subscribed and fully paid				
Issued, Subscribed and fully paid	12000	108	12000	108

a) Reconciliation of shares outstanding at the beginning and as at reporting date: No change during the period

b) Rights, preferences and restrictions attached to equity shares: The Equity shares of the company having par value of ` 9 per share rank pari passu in all respects including voting rights, dividend entitlement and repayment of capital.

c) Shareholding more than 5% of the shares. Name of the shareholder	31.12.2024		As at 31.03.2024	
	No.of Shares		No.of Shares	
	No.of shares	% of holding	No.of shares	% of holding
S BALAKRISHNA	1500	12.50	1500	12.50
R. PADMANABHAN	1500	12.50	1500	12.50
R RAJAGOPAL	1500	12.50	1500	12.50
R THIRUMALAI	1500	12.50	1500	12.50
R PADMINI	1500	12.50	1500	12.50
SHANTHA SRIHARI	1500	12.50	1500	12.50
SRISH JAYENDER BALAKRISHNA	1500	12.50	1500	12.50
SANGEETA KRISNA	1500	12.50	1500	12.50
Total	12000	100.00	12000	100.00

d. Shareholding of Promoters

	31.12.2024	As at 31.03.2024
--	------------	------------------

Name of the shareholder	No.of shares		No.of shares	
	No.of shares	% of holding	No.of shares	% of holding
	S BALAKRISHNA	1500	12.50	1500
R. PADMANABHAN	1500	12.50	1500	12.50
R RAJAGOPAL	1500	12.50	1500	12.50
R THIRUMALAI	1500	12.50	1500	12.50
R PADMINI	1500	12.50	1500	12.50
SHANTHA SRIHARI	1500	12.50	1500	12.50
SRISH JAYENDER BALAKRISHNA	1500	12.50	1500	12.50
SANGEETA KRISNA	1500	12.50	1500	12.50
Total	12000	100.00	12000	100.00

Note: (i) There is no change in the % of holding in the case of any promoter during the reporting period.

NOTE 6: Borrowings

(Rs in thousands)

Particulars	31.12.2024	31.03.2024
a. Loan from Directors payable on demand-related party	523	350
Total	523	350

Additional Information

(Rs in thousands)

Particulars	31.12.2024	31.03.2024
Related Party transactions		
(i) Amount taken as loan from Sri Balakrishna S, Director	448	275
(ii) Amount taken as loan from Sri R. Padmanaban, Director	75	75
Total	523	350

(iii) Maximum amount was also the same and there was no interest.

NOTE 7: Provisions

(Rs in thousands)

Particulars	31.12.2024	31.03.2024
a. Provision for Audit fees	29.50	29.50
b. Provision for NSDL	0.00	0.00
c. Provision for professional charges for audit certification	70.80	0.00
Total	100.30	29.50

NOTE 8: Key Financial Ratios

Ratios	Numerator	Denominator	As At 31.12.2024	As At 31.03.2024	% Variance	Reasons for Variance
Current ratio	Current assets	Current liabilities	0.01	0.07	-86%	
Debt Equity ratio	Debt	Shareholder's Equity	0	0	0.00	Not Applicable
Debt service coverage ratio	Earnings available for debt service	Debt service	0	0	0.00	Not Applicable
Return on equity ratio	Net Profit after taxes	Average Shareholder's Equity	0	0	0.00	Not Applicable
Inventory turnover ratio	Cost of Goods Sold	Average Inventory	0	0	0.00	Not Applicable
Trade receivables turnover ratio	Net credit sales	Average Trade Receivables	0	0	0.00	Not Applicable
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0	0	0.00	Not Applicable
Net capital turnover ratio	Revenue	Working Capital	0	0	0.00	Not Applicable
Net profit ratio	Net Profit after taxes	Revenue	0	0	0.00	Not Applicable
Return on capital employed	Net Operating Profit	Capital Employed	0	0	0.00	Not Applicable
Return on investment	Net Operating Profit	Shareholder's Equity	0	0	0.00	Not Applicable

NOTE 9: Additional disclosure requirement:

S.No.	Disclosure requirement as per amended Schedule III to the Companies Act, 2013	Reason for non disclosure
1	Title deeds of immovable properties not held in the name of company	The Company does not have any immovable property
2	Fair value of investment property	The Company does not have any investment property
3	Revaluation of property, plant and equipment	Not Applicable
4	Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties	Not Applicable
5	Details of binami property held	Nil
6	Wilful defaulter	No
7	Relationship with struck off companies	Nil transaction
8	Registration of charges or satisfaction with Registrar of Companies (ROC)	There is no registration of charges / satisfaction
9	Compliance with number of layers of companies	No subsidiaries
10	Compliance with approved scheme (s) of arrangement	Not Applicable
11	Utilisation of borrowed funds and share premium	Nil - See note below
12	Undisclosed income	Nil
13	Details of Crypto Currency or Virtual Currency	No trade / investment in the same
14	Trade Payable/ Trade receivables / Capital work in progress and intangible assets under development - Ageing schedule	The Company does not have any trade payable/trade receivables/ Capital work in progress and intangible assets under development as at reporting date.

15	Current maturity of Long term borrowings	The company does not have any Long term borrowing
16	Corporate Social Responsibility	The provisions of Corporate Social Responsibility is not applicable to the Company.

Note:

(i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

(ii) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

NOTE 10: Related Party Disclosures:

- | | |
|---|---|
| 1. Names of the transacting Related Parties and description of Relationship | Mr. Balakrishna S - Director (Key Managerial Personal) |
| 2. Description of transaction | The Company has Borrowed Rs.1,73,000/- from the Director during the period. |

Note 11: Disclosures forming part of financial statements for the period ended 31.12.2024

- (i) As the company did not commence commercial operation, there is no statement of profit and loss.
- (ii) Figures are stated in Rupees in thousands.
- (iii) Figures were grouped or re-grouped wherever necessary.
- (iv) The corresponding amounts in the immediately preceding reporting period for all items shown in the financial statements including the notes is not comparable as the reporting period constitutes of 6 months only

(R.PADMANABAN)
DIRECTOR
DIN: 00084579

(BALAKRISHNA S)
DIRECTOR
DIN: 00084524

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

Place: Chennai
Date: 10.02.2025

(Chella K Srinivasan)
Partner
Membership number: 023305

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SLST INDUSTRIES LIMITED
CIN: U17299TN2018PLC125103

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of SLST Industries Limited ('the company'), which comprise the balance sheet as at 31st December, 2024 and the statement of pre-operative expenses then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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, of the state of affairs of the Company as at 31st December, 2024, and statement of pre-operative expenses for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Responsibility of Management for Standalone 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 of these standalone financial statements that *give a true and fair view* of the financial position and statement of pre-operative expenses of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

In conducting our audit, we have considered 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 thereunder. We conducted our audit of the Standalone Ind AS financial statements 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 Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

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 purposes 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 and the Statement of Pre-operative expenses dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st December, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Audit's Report in accordance with the requirements of section 197(16) of the Act, as amended in our opinion and to the best of our information and according to explanation given to us, no remuneration has been paid by the Company to its directors during the period.

(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.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

2.As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Place: Chennai
Date: 10.02.2025

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

Chella K Srinivasan
Partner
Membership number: 023305

UDIN No:25023305BMLHAD3128

“Annexure A” to the Independent Auditors’ Limited Audit Report of even date on the Financial Statements of SLST INDUSTRIES LIMITED

Referred to in Paragraph 2 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date:

- (i) In respect of its property, plant and equipment since the Company does not have plant and equipment, hence reporting under clause (i) is not applicable.
- (ii) According to the information and explanations given to us, the company has no inventory, hence reporting under clause (ii) is not applicable to the company.
- (iii) According to the information and explanations given to us and based on our examination of the books of accounts, the company has not granted loans to a body corporate covered in the register maintained under Sec 189 of the Companies Act 2013 and hence reporting under clause (iii) (a), (b), (c), (d), (e) and (f) is not applicable to the company.
- (iv) The company has not provided any guarantee or security to any company covered under Section 185. Hence reporting under this clause is not applicable to the company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under are applicable. Hence reporting under this clause is not applicable.
- (vi) According to information and explanations given to us, there are no operational activities during the period, hence no cost records have been maintained. Hence reporting under this clause is not applicable.
- (vii) According to information and explanations given to us and based on our examination of the books of account and records, the Company does not have any amount to be deposited with the appropriate authorities. There are no undisputed amounts payable in respect of statutory due arrears as at 31st December 2024 for a period of more than six months from the date on when they become payable. Hence reporting under this clause is not applicable.
- (viii) According to the information and explanation given to us the company does not have transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the period. Hence reporting under this clause is not applicable.
- (ix) In our opinion and according to information and explanation given to us the company has not taken any loans or borrowings from any financial institution, bank or government hence reporting under this clause (ix) (a), (b), (c), (d), (e) and (f) is not applicable to the company.
- (x) According to the information and explanations given to us, the company has not made any private placement of shares during the period for the purpose of expenses

towards the scheme of arrangement to be carried out, as approved by the board. Hence reporting under this clause is not applicable.

- (xi) 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 period. Hence reporting under this clause is not applicable.
- (xii) The Company is not a Nidhi Company. Therefore, reporting under Clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion all transactions with related parties are in compliance with section 177 and section 188 of the Companies act, 2013 and all details have been disclosed in financial statements.
- (xiv) As the company has not commenced operations, the question of an internal audit system does not arise. Hence reporting under this clause is not applicable.
- (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 is 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. Hence reporting under this clause is not applicable to the company.
- (xvii) According to the information and explanation given to us the company has not incurred cash losses in the period and in the immediately preceding financial period. Hence reporting under this clause is not applicable to the company.
- (xviii) There hasn't been any resignation of statutory auditors during the period. Hence reporting under this clause is not applicable to the company.
- (xix) As the company has not commenced operations, this clause in respect to financial ratio and other information is not applicable.
- (xx) According to the information and explanations given to us, the company is not required to maintain CSR provisions. Hence this clause is not applicable.
- (xxi) The company has no subsidiary. Hence reporting under this clause is not applicable.

Place: Chennai
Date: 10.02.2025

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

Chella K Srinivasan
Partner
Membership number:023305
UDIN No: 25023305BMLHAD3128

Annexure 15

SLST INDUSTRIES LIMITED

CIN: U17299TN2018PLC125103

ABRIDGED PROSPECTUS

This Abridged Prospectus discloses applicable information of the unlisted entity i.e. SLST Industries Limited in compliance with Part E of Schedule VI of the SEBI (ICDR) Regulations, 2018 and SEBI circular no SEBI/HO/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 including any amendments of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Circular").

THIS ABRIDGED PROSPECTUS CONTAINS 7 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

SLST INDUSTRIES LIMITED

CIN: U17299TN2018PLC125103

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

Tel No.: +91 44 28277344; Email id: slst@slstmills.comWebsite: www.slstindustries.com ; Contact Person: Mr. Balakrishna S

This Document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular and sets out the disclosures in the abridged prospectus format as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable. Sri Lakshmi Saraswathi Textiles (ARNI) Limited (hereinafter referred to as "the Demerged Company") is listed on BSE Limited (hereinafter referred to as "BSE" or "Stock Exchange"). Pursuant to the Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (ARNI) Limited ("the Demerged Company") and SLST Industries Limited ("the Resulting Company") the Resulting Company shall issue 33,32,750 Equity Shares of the Face Value of Rs. 9/- (Rupees Nine Only) each fully paid up each to the existing shareholders of Demerged Company. The new Equity Shares so issued by Resulting Company will be listed on BSE (on which the existing Equity Shares of Demerged Company is listed) under Regulation 19 (2) (b) of the Securities Contract (Regulation) rules, 1957, as amended. The requirements with respect to General Information Document are not applicable and this abridged prospectus should be read accordingly.

You may download this Abridged Prospectus alongwith the Scheme and the Valuation Report dated December 15, 2022 issued by Mr. Dinesh Kumar Deora, (Registered Valuer- Securities or Financial Assets) IBBI Registration No. IBBI/RV/03/2019/12711 ("Registered Valuer") and Fairness Opinion Report dated January 20, 2023 issued by Mark Corporate Advisors Private Limited, Merchant Banker from the website of the Demerged Company i.e. www.slstindia.com and the website of BSE i.e. www.bseindia.com.

PROMOTERS OF RESULTING COMPANY

Mr. Balakrishna S, Mr. R. Padmanaban, Mr. R. Rajagopal, Mr. R. Thirumalai, Mrs. R. Padmini, Mr. Srish Jayender Balakrishna, Mrs. Shantha Srihari and Mrs. Sangeeta Krisna

Registered Office: 16, Krishnama Road, Nungambakkam, Chennai – 600 034, Ph: 044 28277344, 28270548, Email ID: slst@slstmills.com website: www.slstindustries.com

1



For SLST INDUSTRIES LIMITED

 (BALAKRISHNA S)
 DIRECTOR

SLST INDUSTRIES LIMITED

CIN: U17299TN2018PLC125103

ABRIDGED PROSPECTUS**SCHEME AND LISTING DETAILS**

This is the Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (ARNI) Limited (“the Demerged Company”) and SLST Industries Limited (“the Resultant Company”) and their respective shareholders as per section 230 to 232 and other applicable provisions of the Companies Act, 2013 (the “Scheme”). The Scheme inter-alia provides for the demerger of B Mill (the “Demerged Undertaking”) of the Demerged Company and vesting of the same in the Resulting Company.

Upon the Scheme of Arrangement becoming effective, the B Mill of the Demerged Company shall be transferred and vested, as a going concern into the Resulting Company with effect from the Appointed Date (as specified in the Scheme) and the Resulting Company shall, as a consideration of demerger, issue 33,32,750 Equity Shares of the Face Value of Rs. 9/- (Rupees Nine Only) each fully paid up each to the existing shareholders of Demerged Company whose name appear in the Register of Members of Demerged company as on the Record date as may be fixed by the Board of Directors of the Resulting Company in consultation with the Board of Directors of the Demerged Company. The New Equity Shares issued by Resulting Company are proposed to be listed on BSE where the existing Equity Shares of Demerged Company are listed. Accordingly, Resulting Company will be listed on BSE.

The details with respect to the meeting of the shareholders (including e-Voting) of the Resulting Company as convened in accordance with sections 230 to 232 of the Companies Act, 2013 and e-Voting required as per the SEBI Circular and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 where the Scheme would be placed before the shareholders, will be published in the newspapers as may be directed by the Hon’ble National Company Law Tribunal (“NCLT”), Bench at Chennai.

The Scheme is subject to receipt of approvals of shareholders and creditors of companies involved.

NAME OF THE STATUTORY AUDITOR

M/s. S. Viswanathan LLP, Chartered Accountants, Firm’s Registration Number:004770S/S20025

DETAILS OF PROMOTERS OF RESULTING COMPANY

1. Balakrishna S, PAN AAKPB4733H aged 64 years, is a Commerce Graduate and holder of Master Degree in Business Administration from Connecticut University, USA. He is one of the Promoter Directors of the Company. He is having more than 38 years of experience in textile industries.
2. R. Padmanaban, PAN AEAPR2541H aged 54 years is an Engineer in Textile Technology. He is one of the Promoter Directors of the Company having more than 22 years of experience in textile industries.
3. R. Rajagopal, PAN AAHPR3426Q aged 50 years is a B.Com Graduate. He is having more than 10 years of experience in textile industries

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For SLST INDUSTRIES LIMITED

 (BALAKRISHNA S)
 DIRECTOR

SLST INDUSTRIES LIMITED

CIN: U17299TN2018PLC125103

ABRIDGED PROSPECTUS**DETAILS OF PROMOTERS OF RESULTING COMPANY**

4. R. Thirumalai, PAN AAFPT6573L aged 47 years is a Science Graduate from University of Madras. He is one of the Promoter Directors of the Company. He is having more than 10 years of experience in textile industries.

5. Srish Jayender Balakrishna, PAN CTVPS4060E aged 36 years holds Masters degree in International Business Management. He is one of the Promoter Directors of the Company. He is having more than 10 years of experience in textile industries.

Other than above, the following persons belong to Promoter category of the Company:
Mrs. R. Padmini, Mrs. Shantha Srihari and Mrs. Sangeeta Krisna

BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY

The Resulting Company is an Unlisted Public Limited Company limited by shares and was incorporated on 04th October 2018 under the Companies Act, 2013, in the State of Tamil Nadu. The Registered Office of the Resulting Company is situated at 16, Krishnama Road, Nungambakkam, Chennai – 600 034, Tamil Nadu. The Corporate Identity Number (CIN) of the Resulting Company is U17299TN2018PLC125103.

The Resulting Company is incorporated to carry on the business of spinning and weaving and manufacturing, buying, selling, exporting or importing of yarn cloth and other fabrics made from raw cotton, waste cotton, silk, artificial silk staple fibre, polypropylene, fibre, rayon, wool, polyester, viscose and any blended variety of the aforementioned materials, flex, hemp, jute, wool and silk merchants, growers of mulberry or other trees and producers of any other articles or things whether by cultivation of afforestation or by any other mechanical or chemical or any other material to be converted into cloth, wool, combers, importers and exporters of sheep or other animal breeders and other fibrous substance of synthetic or natural fibres, polyester, viscose and any blended variety of the materials afore mentioned and to carry on the business of cotton growers, silk yarn rearing and such other allied business of farming or as may enable the company to carry on its object effectively and with advantage.

The company yet to start commercial operation.

BOARD OF THE DIRECTORS

Sr. No.	Name	Designation (Independent/ Whole Time/ Executive/ Nominee)	Address	Experience	Directorship held in other companies
1.	Balakrishna S	Director	No. 3 Shreyas Karona	He is a Commerce Graduate and holder of Master Degree in	1. Sri Lakshmi Saraswathi Textiles

Registered Office: 16, Krishnama Road, Nungambakkam, Chennai – 600 034, Ph: 044 28277344, 28270548, Email ID: slst@slstmills.com website: www.slstindustries.com

3



For SLST INDUSTRIES LIMITED
(Signature)
(BALAKRISHNA S)
DIRECTOR

SLST INDUSTRIES LIMITED

CIN: U17299TN2018PLC125103

ABRIDGED PROSPECTUS

			Apartments, 1 st Floor 6 th Avenue, Harrington Road Chetpet, Chennai – 600031	Business Administration from Connecticut University, USA. He has been with the company since October 1985 and joined the Board as Director in August 1986. He is having more than 38 years of experience in textile industries.	(Arni) Limited 2.Terramax Infrastructure Private Limited
2.	R. Padmanaban	Director	New No 9 Old No 4, Parthasarathy Gardens, Chennai – 600018	He is an Engineer and has been with the Company since October 2000 and having more than 22 years of experience in textile industries.	1. Munnish Innerwear Private Limited 2. Sherhood Properties Private Limited 3. Masterjee Institute of Studies Private Limited 4. Sri Lakshmi Saraswathi Textiles (Arni) Limited 5. Sincera Tulip Private Limited 6. Novezo Consulting Private Limited 7. Pattukottai Mess Private Limited 8. Southern Feast Ventures Private Limited 9. Sam Agri Realty LLP

Registered Office: 16, Krishnama Road, Nungambakkam, Chennai – 600 034, Ph: 044 28277344,
28270548, Email ID: slst@slstmills.com website: www.slstindustries.com

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For SLST INDUSTRIES LIMITED

(BALAKRISHNA S)
DIRECTOR

SLST INDUSTRIES LIMITED

CIN: U17299TN2018PLC125103

ABRIDGED PROSPECTUS

					10. White Stone Energies Private Limited
3.	R. Thirumalai	Director	New No 9 Old No 4, Parthasarathy Gardens, Chennai – 600018	He is a Science Graduate from University of Madras. He is having more than 10 years of experience in textile industries.	Nil
4.	Prish Jayender Balakrishna	Director	Old No. 19 New No. 43, College Road, Chennai – 600006	He holds Masters degree in International Business Management. He is having more than 10 years of experience in textile industries.	1. Terramax Infrastructure Private Limited 2. Trilok Exports Private Limited 3. Ten Apparels & Industries Private Limited

OBJECTS OF THE ISSUE

NOT APPLICABLE

SHAREHOLDING PATTERN

Sr. No.	Particulars	Pre- Merger			Post- Merger	
		No. held	Shares	%	No. Shares held	%
1.	Promoter/ Group Promoter		12,000	100.00	*18,47,953	55.25
2.	Public		0	0.00	*14,96,797	44.75
3.	Custodian		0	0.00	0	0.00
	Total		12,000	100.00	33,44,750	100.00

* Allotment of new shares by Resulting Company to the Shareholders of the Demerged Company in ratio of 1:1.

Registered Office: 16, Krishnama Road, Nungambakkam, Chennai – 600 034, Ph: 044 28277344,
28270548, Email ID: slst@slstmills.com website: www.slstindustries.com

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For SLST INDUSTRIES LIMITED

 (BALAKRISHNA S)
 DIRECTOR

SLST INDUSTRIES LIMITED

CIN: U17299TN2018PLC125103

ABRIDGED PROSPECTUS

RESTATED AUDITED FINANCIALS				
(Rupees in Lacs)				
Particulars	Latest Stub Period 31.12.2024	For F.Y. ended 31.03.2024	For F.Y. ended 31.03.2023	For F.Y. ended 31.03.2022
Total Income from Operations (Net)	0.00	0.00	0.00	0.00
Net Profit/ (Loss) Before Tax and Extraordinary Items	0.00	0.00	0.00	0.00
Net Profit/ (Loss) After Tax and Extraordinary Items	0.00	0.00	0.00	0.00
Equity Share Capital	1.08	1.08	1.08	1.08
Reserves & Surplus	-7.31	-6.19	-4.88	-3.38
Net Worth	-1.04	-0.71	-0.78	-0.94
Basic earnings per share (Rs.)	-	-	-	-
Diluted earnings per share (Rs.)	-	-	-	-
Return on Net Worth (%)	-	-	-	-
Net Assets Value per share (Rs.)	-	-	-	-

Note: The above restated audited financials are given by S. Viswanathan LLP, Chartered Accountants, Peer Review Certified Auditor, Peer Review No 016816.

INTERNAL RISK FACTORS

1. The basic raw material for spinning and weaving and manufacturing Company's product is raw cotton, waste cotton, silk, artificial silk staple fibre, polypropylene, fibre, rayon, wool, polyester, viscose and any blended variety of the aforementioned materials, flex, hemp, jute, wool and silk merchants, growers of mulberry or other trees and producers of any other articles, etc. Fluctuating prices of raw material is a big concern for the industry which may strain the profitability margins of the Company.
2. Limited/ Low bargaining power in the customer ruled market. Limited pricing flexibility.
3. Availability of skilled manpower is a concern. Our business is labour oriented business, our operations could be adversely affected by work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.
4. We may be seriously affected by delays in the collection of receivables from our clients and may not be able to recover adequately on our claims.
5. Our business requires high working capital. In case there are insufficient cash flows to meet our requirement or our inability to arrange the same from other sources, there may be an adverse impact

Registered Office: 16, Krishnama Road, Nungambakkam, Chennai – 600 034, Ph: 044 28277344, 28270548, Email ID: slst@slstmills.com website: www.slstindustries.com

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For SLST INDUSTRIES LIMITED

 (BALAKRISHNA S)
 DIRECTOR

SLST INDUSTRIES LIMITED

CIN: U17299TN2018PLC125103

ABRIDGED PROSPECTUS

on the results of our operations.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against the Company and amount involved: Nil
- B. Brief details of top 5 material outstanding litigations against the company and amount involved
- | Sr. No. | Particulars | Litigation filed by | Current status | Amount involved |
|---------|-------------|---------------------|----------------|-----------------|
| NIL | | | | |
- C. Regulatory Action, if any- disciplinary action taken by SEBI or Stock Exchanges against the Promoters in last 5 financial years including action, if any.- Nil
- D. Brief details of outstanding criminal proceedings against Promoters - Nil

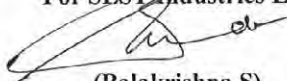
ANY OTHER IMPORTANT INFORMATION AS PER THE RESULTING COMPANY

NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under Section 3 of Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of Companies Act, 2013, Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For SLST Industries Limited



(Balakrishna S)

Director

DIN: 00084524

Place: Chennai

Date: 24th February 2025

Registered Office: 16, Krishnama Road, Nungambakkam, Chennai – 600 034, Ph: 044 28277344,
28270548, Email ID: slst@slstmills.com website: www.slstindustries.com



DUE DILIGENCE CERTIFICATE

February 25, 2025

To,
Board of Directors
SLST Industries Limited
 16, Krishnama Road,
 Nungambakkam,
 Chennai-600 034.

Dear Sir(s)/Madam,

Sub : Certificate on adequacy and accuracy of disclosures made in Abridged Prospectus of SLST Industries Limited

Ref : Scheme of Arrangement between Sri Lakshmi Saraswathi Textiles (ARNI) Limited ("**Demerged Company**"/"**Sri Lakshmi**") and SLST Industries Limited ("**Resulting Company**"/"**SLST**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

- 1) We, Mark Corporate Advisors Private Limited, refer to our engagement letter dated March 03, 2021 inter-alia includes certifying the adequacy and accuracy of disclosure of information pertaining to Demerger of B Mill ("**Demerged Undertaking**"/"**Sri Lakshmi**") of Sri Lakshmi Saraswathi Textiles (ARNI) Limited ("**Demerged Company**") and Vesting of the same in SLST Industries Limited ("**Resulting company**"/"**SLST**") with their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.
- 2) SEBI vide its circular no. SEBI/HO/CFD/DIL 1/CIR/P/2021/000000665 dated November 23, 2021 including any amendments of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Circular**") prescribed requirements to be fulfilled by the listed entities when they propose a Scheme of Arrangement. The SEBI Circular, amongst other things, provide that in the event a listed entity enters into a Scheme of Arrangements with an unlisted entity, the listed entity shall disclose to its shareholders applicable information pertaining to the unlisted entity in the format specified for Abridged Prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendment thereto ("**SEBI (ICDR) Regulations, 2018**").
- 3) With regard to the Abridged Prospectus as prepared by the SLST, we have examined information, undertakings, certificates, confirmations, documents and explanations provided by the SLST, which will be circulated to the members at the time of seeking their consent to the proposed Scheme of Demerger of B Mill ("**Demerged Undertaking**"/"**Sri Lakshmi**") of Sri Lakshmi Saraswathi Textiles (ARNI) Limited ("**Demerged Company**") and Vesting of the same in SLST Industries Limited ("**Resulting company**"/"**SLST**") as a part of explanatory statement to the notice.
- 4) The Abridged Prospectus contains applicable information as required in terms of SEBI Circulars which, in our view are adequate and accurate to enable the members to make a well-informed decision on the proposed Scheme of Demerger of B Mill ("**Demerged Undertaking**"/"**Sri Lakshmi**") of Sri Lakshmi Saraswathi Textiles (ARNI) Limited ("**Demerged Company**") and Vesting of the same in SLST Industries Limited ("**Resulting company**"/"**SLST**").



MARK CORPORATE ADVISORS PVT. LTD.

CIN No : U67190MH2008PTC181996
 GSTIN/UIN : 27AAF5379J1ZY

Page | 2

404/1, The Summit Business Bay, Sant Janabai Road, (Service Lane), Off. W. E. Highway, Vile Parle (E), Mumbai - 400 057
 Tele : +91 22 2612 3207 Fax : +91 22 2612 3208 Web : www.markcorporateadvisors.com E-mail : info@markcorporateadvisors.com



Disclaimer and Limitation:

- 1) Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus.
- 2) We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of SLST will trade following the Scheme.
- 3) This certificate is a specific purpose certificate issued in terms of and in compliance with SEBI Circular and hence it should not be used for any other purpose or transaction.
- 4) This certificate is issued on the basis of examination of information and documents provided by SLST and information which is available in the public domain and wherever required, the appropriate representation from SLST has also been obtained.
- 5) We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this report.
- 6) We express no opinion whatsoever and make no recommendations at all and accordingly take no responsibility as to whether shareholders/investors should buy, sell or hold any stake in the SLST or any of its related parties.
- 7) Our opinion is not nor should it be construed as our opining or certifying the compliance of the proposed Scheme of Merger with the provision of any law including companies, taxation, capital market, related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

For Mark Corporate Advisors Private Limited


Rajendra Kanoongo
Jt. Managing Director

Place: Mumbai

MARK CORPORATE ADVISORS PVT. LTD.

CIN No : U67190MH2008PTC181996

GSTIN/UIN : 27AAF05379J1ZY

404/1, The Summit Business Bay, Sant Janabai Road, (Service Lane), Off. W. E. Highway, Vile Parle (E), Mumbai - 400 057
Tele : +91 22 2612 3207 Fax : +91 22 2612 3208 Web : www.markcorporateadvisors.com E-mail : info@markcorporateadvisors.com

Annexure 16



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH - II, CHENNAI**

CA (CAA)/20(CHE)/2024

*Under Sections 230 to 232 of the Companies Act, 2013
In the matter of Scheme of Amalgamation of*

**SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED,
REGISTERED OFFICE AT, 16, KRISHNAMA ROAD,
NUNGAMBAKKAM,
CHENNAI - 600 034, TAMIL NADU.**

.. APPLICANT/DEMERGED COMPANY

**SLST INDUSTRIES LIMITED,
REGISTERED OFFICE AT, OLD NO. 17,
KRISHNAMA ROAD,
NUNGAMBAKKAM,
CHENNAI - 600 034, TAMIL NADU.**

...APPLICANT/RESULTING COMPANY

Order Pronounced on 8th October 2024

CORAM

**Shri. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)
Shri. RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)**

For Applicant: Pawan Jhabakh

ORDER

This is an application filed by the Applicant Demerged Company namely **SRI LAKSHMI SARASWATHI TEXTILES (ARNI) LIMITED**, (for brevity "*1st applicant company*") and **SLST INDUSTRIES LIMITED** (for brevity "*2nd applicant company*") the companies has filed an application under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation

*CA(CAA)/20(CHE)/2024
Sri Lakshmi Saraswathi Textiles Limited & SLST Industries Limited.*

1 of 12



(hereinafter referred to as the “SCHEME”) proposed by the Applicant Company . The said Scheme is appended as “**Annexure – 1**” to the application.

2. The Applicant Companies in the Application have sought for the following reliefs;

	EQUITY SHAREHOLDERS	SECURED CREDITORS	UNSECURED CREDITORS
DEMERGED COMPANY	Convening Meeting	Convening Meeting	Convening Meeting
RESULTING COMPANY	Convening Meeting	NA	Convening Meeting

3. Affidavits in support of the present Application sworn for and on behalf of the Applicant Companies have been filed by authorized signatory one M R Balakrishna and R Padmanaban in capacity of Authorised signatories of the Applicant companies. Board Resolutions dated 29.04.2022. authorizing the above persons as Authorized Signatory of the respective companies are placed at page **308-319** of the application it is represented that the Registered offices of both the Applicant Companies are situated within the territorial jurisdiction of the Bench of this Tribunal and falling within the purview of Registrar of Companies, Chennai.

4. The 1st Applicant Company is a Public Limited company, incorporated under the provisions of Companies Act, 1956 on 02.05.1964. Registered office of the Company is situated at No 16, Krishnama road, Nungambakkam



Chennai 600034. The Share Capital of the Transferor Company as on 31.03.2023 is as follows:

PARTICULARS	AMOUNT IN RS.
<u>AUTHORISED CAPITAL</u>	
15,000,000 Equity Shares of INR 10 each	1,50,000,000
5,000,000 Preference shares of Rs 10/- each	50,000,000
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u>	
33,32,750 Equity shares of INR 10 each	33,327,500

MAIN OBJECTS OF THE 1ST APPLICANT COMPANY IN BRIEF:

“To carry on business of manufacturing, bleaching, dyeing, printing, selling yarn, cloth and other fabrics made from raw cotton, jute wool and other suitable materials; and generally to carry on the business of Cotton Spinning and Weaving Mill proprietors in all their branches”

6. The 2nd Applicant Company is a public limited company incorporated under the provisions of Companies Act, 2013 on 04.10.2018, , registered office of the 2nd Applicant Company is presently situated at Old No 17, Krishnama road, Nungambakkam, Chennai-600034. The Share Capital of the 2nd Applicant Company as on 31.03.2023 is as follows:

PARTICULARS	AMOUNT IN RS.
<u>AUTHORISED CAPITAL</u>	
12,000 Equity shares of INR 9 each	1,08,000.00
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u>	
12,000 Equity shares of INR 9 each.	1,08,000.00

MAIN OBJECTS OF THE 2ND APPLICANT COMPANY IN BRIEF:

To carry o business of spinning and weaving and manufacturing buying, selling, exporting or importing of yarn cloth and other fabric made from raw cotton, waste cotton, silk, artificial silk staple fibre, polypropylene, fibre, rayon, wool polyester, viscose and blended variety of materials”



7. The Applicant Company has filed their respective Memoranda and Articles of Association inter alia delineating their object clauses. The Applicant Company have filed their audited financial Statements as on 31.03.2023 and the Provisional Financial Statements as on 31.12.2023.

8. The Board of Directors of the 1st Applicant Company and the 2nd Applicant Company in the meeting held on 29.04.2022, have approved the proposed Scheme as contemplated above. Copies of resolutions passed thereon have been placed on record by the company.

9. The Appointed date as specified in the Scheme is proposed as **01.04.2021**.

10. The Statutory Auditors of both the Applicant Companies have certified that the Accounting Standards are in compliance with Section 133 of the Companies Act, 2013.

11. Vide order dated 03.04.2024 The Applicants were asked to clarify on financial statement of the companies and net worth of the company as the balance sheet of the demerged company as on 31.03.2023 shows as NIL and net worth of the resulting company as Rs 1,08,000/-.

12. The applicants have filed the compliance memo dated 26.05.2024 and submitted that though the demerged company has negative net worth as on 30.09.2023 the turnover on the gross sale is of amount Rs 68,24,70,428 and stated that the demerged company has assets current assets at the value of Rs 17,48,73,088 and non-current assets at Rs 22,20,97,649/- it is also submitted that the demerged company has mill which is manufacturing cloth materials. It



is stated that the clause 5 of the scheme defines that scheme arrangement would enable scaling and achieve the financial strength.

13. With respect to 1st Applicant Company, it is submitted as under:

With respect to Equity shareholders

- i) There are **3024** (three thousand twenty four only) Equity Shareholders, list of shareholders to this effect is placed on record in Page 345-432 of the application; It is prayed for Convening of the meeting.

With respect to Secured Creditors:

- ii) There are 2 (Two) Secured Creditor. The certificate issued by the Chartered Accountant to this effect is placed at **Page No. 25** of the additional typed set filed along with the application. It is prayed for Convening of the meeting for the secured creditor.

With respect to Unsecured Creditors

- iii) There are **228 (Two hundred and twenty eight)** Unsecured Creditor. The certificate issued by the Chartered Accountant to this effect is placed at **Page No.26-50** of the additional typed set filed along with the application. It is prayed for Convening of the meeting.



14. With respect to the 2nd Applicant Company it is submitted as under,

With respect to Equity shareholders

- iv) There are 8 (Eight) Equity Shareholders, list of shareholders to this effect is placed on record in Page 433 of the application; It is prayed for Convening of the meeting.

With respect to Secured Creditors:

- v) There are NIL Secured Creditors as on 09.01.2024 and the certificate issued by the Chartered Accountants to this effect is placed between page no 51 of the additional typed set filed with the application.

With respect to Unsecured Creditors

- vi) There are 2 (Two) Unsecured creditor, list of unsecured creditor given by the chartered accountant is given in page 52 of the additional typeset filed with the application. It is prayed for Convening of the meeting.



15. Heard to counsel and Taking into consideration the submissions and the documents on record, this Tribunal issues the following directions: -

A) IN RELATION TO 1ST APPLICANT COMPANY:

(i) With respect to Equity shareholders:

Since it is represented by the 1st Applicant Company that there are **3024 (Three Thousand Twenty Four)** Equity Shareholders in the Company and sought for Convening of meeting company is directed the meeting to be held on **16.11.2024** at **11:00 AM** at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

(ii) With respect to Secured Creditors:

Since it is represented by the 1st Applicant Company that there are 2(Two) secured creditor and sought for Convening of meeting company is directed to held the meeting on **16.11.2024** at **12:00 PM** at its registered office or through video conferencing or if not convenient at any other suitable place for



which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

(iii) With respect to Unsecured Creditors:

Since, it is represented by 1st Applicant Company that there are 228 Unsecured Creditor in the Company, and sought for Convening of meeting company is directed to held the meeting on **16.11.2024** at **2:00 PM** at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

B. IN RELATION TO 2ND APPLICANT COMPANY

i) With respect to Equity shareholders:

Since it is represented by the 2nd Applicant Company that there are **8 (Eight)** Equity Shareholders in the Company and sought for Convening of meeting company is directed to held the meeting on **17.11.2024** at **11:00 AM** at its registered office or through video conferencing or if not convenient at any other



suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

ii) With respect to Secured Creditors:

Since it is represented by the 2nd Applicant Company that there are NIL secured the necessity of Convening, holding and conducting a meeting *does not arise*.

iii) With respect to Unsecured Creditors:

Since, it is represented by 2nd Applicant Company that there are 2 Unsecured Creditor in the Company, and sought for Convening of meeting company is directed to be held on **17.11.2024 at 12:00 PM** at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.



16. The quorum for the meetings of the Applicant Companies shall be as follows;

COMPANY	CLASS	QUORUM
DEMERGED COMPANY	EQUITY SHAREHOLDERS	605
	SECURED CREDITORS	2
	UNSECURED CREDITOR	40

COMPANY	CLASS	QUORUM
RESULTING COMPANY	EQUITY SHAREHOLDERS	6
	UNSECURED CREDITOR	2

- i) The Chairperson appointed for the above said meeting shall be **R Varadharajan**, (Mobile No 9176554650) and would be entitled to fee of **Rs.2,00,000/-**.
- ii) **Mr S. Vedhavel** (Mobile No.7358289352) and is appointed as a Scrutinizer would be entitled to fee of **Rs.1,00,000/-**. The Chairperson(s) will file the reports of the meeting within a week from the date of holding of the above said meetings.
- iii) In case the quorum, for the above meeting of the Applicant Companies is not present at the meeting, the meeting shall be adjourned by half an hour, and thereafter the person(s) present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the applicant companies at least 48 hours before the meeting. The Chairperson and Alternate Chairperson appointed herein along with Scrutinizer shall



ensure that the proxy registers are properly maintained. Every endeavour should be made by the applicant companies to attain at least the quorum fixed, if not more in relation to approval of the scheme.

- iv) The meetings shall be conducted as per applicable procedure prescribed under the MCA Circular MCA General Circular Nos. (i) 20/2020 dated 5th May, 2020 (AGM Circular), (ii) 14/2020, dated 08.04.2020 (EGM Circular-I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular-II); voting by proxy not allowed if the meetings are held through video conferencing.
- v) That individual notices of the above said meetings shall be sent by the Applicant Company through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a copy of Scheme, copy of explanatory statement, required to be sent under the Companies Act, 2013. The prescribed form of proxy shall also be sent along and in addition to the above any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.
- vi) That the Applicant Company shall publish advertisement with a gap of atleast 30 clear days before the aforesaid meetings, indicating the day, date and the place and time as aforesaid, to be published in the English Daily “*Business Standard*” (All India Edition), and “*Makkal Kural*” Tamil (Tamil Nadu Edition) in Vernacular stating the copies of Scheme, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013. The form of proxy



shall be provided free of charge at the registered office of the respective Applicant Companies.

- vii) The Chairperson shall be responsible to report the result of the meeting within a period of 3 days of the conclusion of the meeting with details of voting on the proposed scheme. Voting % of creditors as per list is to be decided after considering the amount of debt as on the date of voting, which is to be considered by the Chairperson.
- viii) The applicant companies shall further furnish copy of the Scheme free of charge within 1 day of any requisition for the Scheme made by every creditor or member of the applicant companies entitled to attend the meetings as aforesaid
- ix) The Authorized Representative of the Applicant Companies shall furnish an affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meetings.
- x) All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

17. The Application stands **Allowed** on the aforesaid terms and is disposed of.

-SD-

-SD-

**RAVICHANDRAN RAMASAMY
MEMBER TECHNICAL)**

**JYOTI KUMAR TRIPATHI,
MEMBER (JUDICIAL)**



**NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – II
CHENNAI**

**ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL
COMPANY LAW TRIBUNAL, CHENNAI BENCH, HELD ON 25-10-2024 AT
10.30 A.M. THROUGH VIDEO CONFERENCING:**

PRESENT : SHRI. JYOTI KUMAR TRIPATHI, HON'BLE MEMBER (JUDICIAL)
SHRI. RAVICHANDRAN RAMASAMY, HON'BLE MEMBER (TECHNICAL)

APPLICATION NUMBER : IA(CA)/198(CHE)/2024

PETITION NUMBER : CA/CAA/20/CHE/2024

NAME OF THE APPLICANT : Sri Lakshmi Saraswathi Textiles (ARNI)
Ltd With SLST Industries Ltd

NAME OF THE RESPONDENT(S) : --

UNDER SECTION : Rule 11 of National Company Law Tribunal
Rules 2016

ORDER

Ld. Counsel Mr.Pawan Jhabakh is present for the Applicant.

This is an Application filed under Rule 11 of NCLT Rules seeking different date and time for convening meeting of shareholders and creditors as stated in para 5 of the Application. The reasons for change is given at para 4 of the Application.

Therefore, only the date, time and venue for the meeting by the Applicant companies in the order dated 08.10.2024 in CA(CAA)/20/CHE/2024 passed by this Tribunal is modified as below:-

For Demerged Company:-

Particulars	Date & Time	Venue
Equity Shareholders	11.12.2024 at 11.00 A.M.	Registered Office or through Video Conferencing.



Secured Creditors	11.12.2024 at 12.00 Noon	Registered Office or through Video Conferencing.
Unsecured Creditors	11.12.2024 at 2.00 P.M.	Registered Office or through Video Conferencing.

For Resulting Company:-

Particulars	Modified Date & Time	Venue
Equity Shareholders	12.12. 2024 at 11.00 A.M.	Registered Office or through Video Conferencing.
Unsecured Creditors	12.12. 2024 at 12.00 Noon	Registered Office or through Video Conferencing.

In view of the above, **IA(CA)/198(CHE)/2024 IN CA(CAA)/20/CHE/2024 is allowed and disposed off.**

Sd/-
RAVICHANDRAN RAMASAMY
Member (Technical)

Sd/-
JYOTI KUMAR TRIPATHI
Member (Judicial)

phk



**NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – II
CHENNAI**

**ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL
COMPANY LAW TRIBUNAL, CHENNAI BENCH, HELD ON 10.02.2025 AT
10.30 A.M. THROUGH VIDEO CONFERENCING:**

**PRESENT : SHRI. JYOTI KUMAR TRIPATHI, HON'BLE MEMBER (JUDICIAL)
SHRI. RAVICHANDRAN RAMASAMY, HON'BLE MEMBER (TECHNICAL)**

APPLICATION NUMBER : IA(CA)/17(CHE)2025

PETITION NUMBER : CA(CAA)/20/(CHE)2024

NAME OF THE APPLICANT : Sri Lakshmi Saraswathi Textiles
(ARNI) Ltd

NAME OF THE RESPONDENT(S) : SLST Industries Ltd

UNDER SECTION : Rule 11 of NCLT Rules, 2016

ORDER

Ld. Counsel Mr. Pawan Jhabakh is present for the Applicant.

This is an application sought to consider the revised date and time and venue to hold, conduct, convene the meetings of the share holders and creditors for the order dated 08.10.2024 in CA(CAA)/20/(CHE)2024.

A) IN RELATION TO 1ST APPLICANT COMPANY

- (i) **With respect to Equity shareholders**, it is directed to hold the meeting on 04.04.2025 at 11.00 A.M. at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.
- (ii) **With respect to Secured Creditors**, it is directed to hold the meeting on 04.04.2025 at 12.00 P.M. at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

(Contd...2)



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- (iii) **With respect to Unsecured Creditors**, it is directed to hold the meeting on 04.04.2025 at 02.00 P.M. at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

B) IN RELATION TO 2ND APPLICANT COMPANY

- (i) **With respect to Equity shareholders**, it is directed to hold the meeting on 05.04.2025 at 11.00 A.M. at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.
- (ii) **With respect to Unsecured Creditors**, it is directed to hold the meeting on 05.04.2025 at 12.00 P.M. at its registered office or through video conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issuance of notices.

Further the Applicant and the Registry is directed to communicate the revised date, time and venue to the Chairman and the scrutinizer.

Accordingly, **IA(CA)/17(CHE)2025 is Allowed and disposed of.**

-SD-

RAVICHANDRAN RAMASAMY
Member (Technical)

ss

-SD-

JYOTI KUMAR TRIPATHI
Member (Judicial)