

## *21st Annual Report 1999-2000*

Report



Junction

M A R I S  
SPINNERS  
LIMITED





## MARIS SPINNERS LIMITED

CHAIRMAN &  
MANAGING DIRECTOR :

Sri. M. Thangavelu

Auditors : M/s. N.C.S. Raghavan & Co.,  
No.25, North Park Road Cross  
Kumara Park East  
BANGALORE - 560 001.

DIRECTORS:

Sri. M. Rengaswamy  
Sri. Anand Rengaswamy  
Sri. T. Jayaraman

Bankers : The Karur Vysya Bank Ltd.,  
Whites Road,  
CHENNAI - 600 014.

: The Karur Vysya Bank Ltd.,  
Cantonment  
TRICHY - 620 001.

Registered & Administrative Office:

9 Cathedral Road  
CHENNAI - 600 086.  
Phone : 91-44-8115910 / 12 / 18  
Email : [msl@vsnl.com](mailto:msl@vsnl.com)  
Fax : 91-44-8111513

Shares Listed at:

Mills

UNIT - I : Kattemalalavadi Village  
Hunsur Taluk  
MYSORE DISTRICT - 571 134  
KARNATAKA.

Madras Stock Exchange Ltd.  
Exchange Building  
P.B. No. 183  
11 Second Line Beach  
CHENNAI - 600 001.

UNIT - II : Sevalur Village  
Manapparai Taluk  
TRICHY DISTRICT - 621 306  
TAMIL NADU.

The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers  
Dalal Street  
MUMBAI - 400 001.



# MARIS SPINNERS LIMITED

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING of the members of the Company will be held on Friday, the 22<sup>nd</sup> day of December 2000 at 09.30 am at Hotel Maris, 1st Floor, Conference Hall, 9 Cathedral Road, Chennai - 600 086, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2000 and the Profit and Loss Account for the year ended on that date and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in the place of Sri.T.Jayaraman, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. N.C.S. Raghavan & Co., Chartered Accountants, Bangalore, the present Auditors of the Company who retire at this meeting are being eligible for re-appointment.

RESOLVED THAT M/s. N.C.S. Raghavan & Co., Chartered Accountants, Bangalore, be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting untill the conclusion of the next Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration and reimburse the out of pocket expenses to the Auditors for the said period.

### SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification the following Resolution as a SPECIAL Resolution:

RESOLVED THAT pursuant to the provisions of Section 269, 198, 309, 310 and other applicable provisions if any of the Companies Act, 1956, read with Schedule XIII Sri.M.Thangavelu be and is hereby appointed as the Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> September 2000 on the following terms and conditions.

1. Salary : No remuneration is payable for the time being.
2. Perquisites : Rent free furnished accommodation.

- |   |   |
|---|---|
| a. Provident Fund and Superannuation fund | : As per the Company's rules.   |
| b. Leave encashment                       | : As per the Company's rules.   |
| c. Gratuity                               | : 15 days salary for every year of service.   |
| d. Use of Car and telephone               | : Provision of car with chauffeur and telephone at the residence for Company's business will not be treated as perquisites. |

RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to fix suitable remuneration to Sri.M.Thangavelu within the overall limits prescribed under the Companies Act, 1956.

FURTHER RESOLVED THAT, in case of inadequacy of profit or loss in any year the remuneration if any payable to Sri.M.Thangavelu shall be in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

5. To consider and if thought fit to pass with or without modification the following Resolution as a SPECIAL Resolution:

RESOLVED that, pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to the re-appointment of Sri.Anand Rengaswamy as Executive Director of the Company for a period of five years from 15<sup>th</sup> June 2000, upon and subject to the terms and conditions as set out in the explanatory statement to the Notice including the remuneration to be paid and provided to him as Executive Director as contained in the Resolution of the Board of Directors text of which is placed before the meeting, and initialled by the Chairman for the purpose of identification.

AND RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to vary the remuneration to be paid and provided from time to time to Sri.Anand Rengaswamy in accordance with the provisions of the Companies Act, 1956, and/or any statutory modification or re-enactment, thereof.

By Order of the Board

Place : CHENNAI (M.THANGAVELU)  
Dated : 23.11.2000 Chairman & Managing Director



## Annual Report 1999-2000

### NOTES

1. A member who is entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote on his behalf and the proxy need not be a member and the proxies in order to be valid should be complete in all respects and be deposited at the Registered Office of the Company before 48 hours time fixed for holding the meeting.
2. The Register of Members of the Company shall remain closed from 19<sup>th</sup> December 2000 to 22<sup>nd</sup> December 2000 (both the days inclusive), for the purpose of Annual General Meeting.
3. The members are requested to communicate the change of address if any to the Registered Office of the Company.
4. The members are requested to bring their copy of the annual report as the same will not be provided at the meeting.
5. Explanatory statement pursuant to Section 173 (2) of the Companies Act 1956 is annexed hereunder.

### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT AS PER SECTION 173(2) OF THE COMPANIES ACT, 1956:

##### Item No.4

Sri.M.Thangavelu was appointed as the Managing Director of the Company in the Board meeting held on 29.8.2000 subject to the approval of the members. Considering his vast experience in the field his appointment as Managing Director, will be of immensely useful for the development of the company in future.

Since the said appointment requires the approval of the members, the Board recommends the said Resolution for passing by the members as a special resolution.

None of the directors of the company other than Sri.M..Thangavelu, Sri.M.Rengaswamy and Sri.T.Jayaraman is in anyway concerned or interested in the Resolution.

##### Item No.5

Sri.Anand Rengaswamy was re-appointed as the Executive Director of the Company in the Board meeting held on 7<sup>th</sup> July 2000 subject to the approval of the members for a period of five years from 15<sup>th</sup> June 2000

to 14<sup>th</sup> June 2005 on the following terms and conditions:

- |   |   |
|---|---|
| 1. Salary                                 | Rs.15,000/- per month   |
| 2. Perquisites                            | Rent free furnished accommodation not exceeding Rs.15,000/- per month |
| a. Provident Fund and Superannuation fund | As per the Company's rules.   |
| b. Leave encashment                       | As per the Company's rules.   |
| c. Gratuity                               | 15 days salary for every year of service.                             |
| d. Use of Car and telephone               |   |

Provision of the Company's car and driver for use on the Company's business and telephone at residence (including payment of local calls and long distance official calls) shall not be included in the computation of perquisites.

Sri.Anand Rengaswamy will not be entitled to sitting fees for attending meetings of the Board of Directors or committees thereof.

The Board of Directors is authorised to vary the remuneration to be paid and provided from time to time to Sri.Anand Rengaswamy in accordance with the provisions of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof.

Sri.Anand Rengaswamy shall perform such duties and exercise such powers as may from time to time be assigned to him by the Chairman of the Company.

The directors therefore recommend the passing of the Special Resolution contained in item 5 of the accompanying Notice under Section 314 and other applicable provisions, if any, of the Companies Act, 1956, for the above purpose.

Sri.Anand Rengaswamy is the son of Sri. M. Rengaswamy. None of the directors other than Sri.M.Rengaswamy and Sri.Anand Rengaswamy are concerned or interested in the Resolution.

By Order of the Board

Place : CHENNAI

(M.THANGAVELU)

Dated : 23.11.2000 Chairman & Managing Director



# MARIS SPINNERS LIMITED

## REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

Dear Shareholders,

The Directors have pleasure in presenting the Twenty First Annual Report on the business and operations of your Company, together with Audited Financial Statements for the year ended 31<sup>st</sup> March 2000.

### FINANCIALS (Rs. in Lakhs)

	Period Ended 31.03.2000	Period Ended 31.03.1999
TURNOVER	5584.33	5507.43
Profit before Depreciation		
Investment Allowance		
Reserve & Tax	239.45	(-) 60.83
Less: Depreciation & Investment Allowance Reserve	285.36	281.07
Profit / Loss before Tax	(-) 45.91	(-) 341.90
Less: Provision for Taxation	Nil	Nil
Profit / Loss for the year	(-) 45.91	(-) 341.90

Board of Directors of the Company has not recommended any dividend.

### ECONOMIC SCENARIO

The textile industry is in the phase to recover from the recessionary trend of the Market. The phenomenal growth of unorganised sector in the industry which impacted the growth and performance of the organised sector.

Your company has able to register its improved performance due to strict adherence of quality norms and customer satisfaction.

### OPERATIONS

During the year under review your Company registered a 1.40% increase in turnover as compared to the preceding financial year. The decrease in loss is registered largely due to the substantial reduction in the rate of interest offered by the financial institutions.

### ENVIRONMENT SAFETY AND POLLUTION CONTROL

Your Company has been taking proper care in complying with all Statutory requirements relating to safety, environmental and Pollution Control.

### DIRECTORS

Sri. T.Jayaraman, Director of the Company, retires by rotation and is being eligible to offer himself for re-appointment.

### AUDITORS

The retiring Auditors M/s. N.C.S. Raghavan & Co., Chartered Accountants, Bangalore, are being eligible for re-appointment.

### COST AUDITOR

Pursuant to the direction of the Central Government, under the provisions of section 233(b) of the Companies Act, 1956, Sri A. Gopala Iyengar, Bangalore, has been appointed to conduct the Cost Audit for the year ended 31<sup>st</sup> March 2000.

### PARTICULARS OF EMPLOYEES

No employee of the company was in receipt of the remuneration, exceeding the limits prescribed under the Section 217 (2A) of the Companies Act, 1956, and rules framed thereunder as amended to date.

### COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988.

Pursuant to the said rules the Board is pleased to furnish the particulars as prescribed therein vide Form A which forms part of this Report.

### PERSONNEL

Your Directors are happy to state that there was a cordial atmosphere prevailing in the relationship of Management with the labour during the period.

### ACKNOWLEDGEMENTS

The Board conveys acknowledgement for the fullest support extended by the Karnataka State Industrial Investment & Development Corporation Ltd., Karnataka State Financial Corporation, Indian Renewable Energy Development Agency Ltd., Industrial Development Bank of India, The ICICI Ltd., and The Karur Vysya Bank Ltd.

The Directors also wish to place on record their appreciation of the support and co-operation they have received from the Central and State Government and Employees of Company at all levels through out the year.

By Order of the Board

Place : CHENNAI

(M. THANGAVELU)

Date : 23.11.2000

Chairman & Managing Director



## Annual Report 1999-2000

### INFORMATION PERTAINING TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31.03.2000.

#### 1. CONSERVATION OF ENERGY

In accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Company (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 details regarding conservation of energy is furnished in Form "A" (See Rule 2).

#### 2. TECHNOLOGY ABSORPTION

There was no technology absorption.

#### 3. FOREIGN EARNINGS AND OUTFLOW

Earnings	-	NIL
Outflow	-	US \$ 4,11,024

By Order of the Board

Place : CHENNAI (M. THANGAVELU)  
Date : 23.11.2000 Chairman & Managing Director

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# MARIS SPINNERS LIMITED

## FORM - A (See Rule 2)

PARTICULARS	UNIT I	UNIT II	CONSOLIDATED	
	1999-2000	1999-2000	1999-2000	1998-99
<b>A. POWER &amp; FUEL CONSUMPTION</b>				
1 Electricity				
a. Purchased				
Unit	6055701	7660160	13715861	9837218
Total Amount	22811923	25801174	48613097	30671452
Rate per Unit	Rs. 3.77	Rs. 3.37	Rs. 3.54	Rs. 3.12
b. Own Generation through Diesel Generator				
Unit	1987417	341949	2329366	6161448
Unit per litre Diesel	3.670	3.640	3.660	3.550
Cost/Unit	Rs. 3.07	Rs. 3.63	Rs. 3.15	Rs. 2.82
2. Coal	NIL	NIL	NIL	NIL
3. Furnace Oil	NIL	NIL	NIL	NIL
4. Others/ Internal Generation	NIL	NIL	NIL	NIL
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>				
(Standard if any - Nil)	NIL	NIL	NIL	NIL
Products (with) details Unit				
Electricity	2.602	3.818	3.093	3.270
Furnace Oil	NIL	NIL	NIL	NIL
Coal	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL

Place : CHENNAI  
Date : 23.11.2000

By Order of the Board

**(M.THANGAVELU)**  
Chairman &  
Managing Director



# Annual Report 1999-2000

## BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

<b>I REGISTRATION DETAILS</b>		
Registration No.	:	032618
State Code	:	18
Balance Sheet Date	:	31.03.2000
<b>II CAPITAL RAISED DURING THE YEAR</b>		
(Amount Rs. In Thousands)		
Public Issue	:	—
Bonus Issue	:	—
Rights Issue	:	—
Private Placement	:	—
<b>III POSITION OF MOBILISATION &amp; DEPLOYMENT OF FUNDS</b>		
(Amount Rs. In Thousands)		
Total Liabilities	:	442972
Total Assets	:	442972
<b>SOURCES OF FUNDS</b>		
Paid up Capital	:	80171
Reserves & Surplus	:	43043
Secured Loans	:	304865
Unsecured Loans	:	14893
<b>APPLICATION OF FUNDS</b>		
Net Fixed Assets	:	247002
Net Current Assets	:	132762
Accumulated Losses	:	60398
Investments	:	203
Miscellaneous Expenses	:	2607
<b>IV PERFORMANCE OF COMPANY</b>		
(Amount Rs. In Thousands)		
Turnover	:	553317
Total Expenditure	:	557907
Profit Before Tax	:	-4591
Profit After Tax	:	-4591
Earning per Share in Rs.	:	—
Dividend	:	—
<b>V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OR SERVICES OF COMPANY</b>		
[as per Monetary terms]		
Item Code (ITC Code )	:	010101
Description	:	NA