

## *23rd Annual Report 2001-2002*

Report



Junction

M A R I S  
S P I N N E R S  
L I M I T E D





## MARIS SPINNERS LIMITED

**CHAIRMAN &  
MANAGING DIRECTOR :**

Sri. M. Thangavelu

**DIRECTORS**

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

**Registered & Administrative Office**

9 Cathedral Road  
CHENNAI 600 086.  
Phone :91-44-8115910 / 12 / 18  
E-mail: msl@vsnl.com  
Fax : 91-44-8111513

**AUDITORS:** M/s. N.C.S. Raghavan & Co.,  
No.27, Sri Venkateswara Krupa  
1st Main Road  
Vyalikaval,  
BANGALORE – 560 003.

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

The Karur Vysya Bank Ltd.,  
Cantonment  
TRICHY – 620 001.

**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

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

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of the members of the Company will be held on Friday, the 27<sup>th</sup> day of September 2002 at 9.30 AM at Hotel Maris, I 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 2002 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 reappointment.
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 reappointment.

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 until the conclusion of the next Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and are 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 modifications, the following resolution as a SPECIAL RESOLUTION.

RESOLVED THAT in accordance with Section 149 (2A) and other applicable provisions of the Companies Act, 1956 the Company hereby approves the commencement of New Business as follows:

To generate, harness, develop, accumulate and distribute electric power by utilizing wind energy and for that purpose to establish wind mills and also to generate power by setting up of power plants like Mini Hydel Power, Hydro Power, Thermal Power, Diesel Power, Multi Fuel Based Power, Micro-Hydel Power plants and also to generate electric by utilizing solar, tidal, wind

energy an other sources of energy for supply an distribution either directly or through State Electricity Board or otherwise to consumers of electricity on a commercial basis and to establish, construct and maintain necessary power stations to generate, accumulate, supply and distribute electricity, in terms of Para 9 of sub-clause ( C ) of clause III of the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be authorized to take such steps as may be necessary and required in this regard.  
By Order of the Board

Place: CHENNAI  
Date : 31.08.2002

**M. Thangavelu**  
Chairman&Managing Director

**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 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 24.09.2002 to 27.09.2002 ( both 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 explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Resolution is annexed hereto.

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

**Item 4**

The Board of Directors meeting held on 31.08.2002, suggested to commence the business of Wind Power Generations in terms of Para 9 of sub-clause ( c ) of clause III of the

Memorandum and articles of Association for the Company. The Company is empowered to do the said business as per the provisions of Section 149 (2A) of the Companies Act, 1956, subject to the approval of members. The company therefore is seeking approval and consent of the Share holders under the above said section and other applicable in any of the Companies Act, 1956 for the commencement of the said business as set out in the resolution.

None of the Directors is in any way concerned or interested in the resolution.

By Order of the Board

Place: CHENNAI

Date : 31.08.2002

M. Thangavelu  
Chairman & Managing Director

## REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

Dear Shareholders,

The Directors have pleasure in presenting the Twenty Third Annual Report on the business and operations of your Company, together with Audited Financial Statements for the year ended 31<sup>st</sup> March 2002.

## FINANCIALS (Rs. In Lakhs)

	Period Ended 31.03.2002	Period Ended 31.03.2001
TURNOVER	4751.11	5584.33
Profit before Depreciation, Investment Allowance		
Reserve & Tax (-)	23.56	376.24
Less: Depreciation & Investment		
Allowance Reserve	<u>305.32</u>	<u>296.18</u>
Profit / Loss before Tax	(-) 328.88	80.06
Less: Provision for Taxation		<u>1.67</u>
Profit / Loss for the year	(-) 328.88	78.39

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

## ECONOMIC SCENARIO

The textile industry continued to face 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.

## OPERATIONS

During the year under review your Company registered a 22% decrease in turnover as compared to the preceding financial year. The increase in loss is registered largely due to the recessionary trend of textile industry as a whole.

## 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

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

**Directors Responsibility Statement**  
pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 and forming part of the Directors Report for the year ended 31<sup>st</sup> March 2002.

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

1. That in preparation of the Annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2002 and of the profit or loss of the Company for the year ended 31<sup>st</sup> March 2002.
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors had prepared the annual accounts on a going concern basis.

**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, Shri A. Gopala Iyengar, Bangalore, has been appointed to conduct the Cost Audit for the year ended 31<sup>st</sup> March 2002

**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.

**EROSION OF NETWORTH**

Consequent to the continuous recession in the spinning industry as a whole and on the basis of the audited accounts of the company for the year ended 31.03.2002, your directors regret to report that the accumulated losses of the company has resulted in erosion of the net worth substantially & therefore your company is a potentially sick industrial Company pursuant to the provisions of the Sick Industrial Companies (Special Provisions) Act, SICA 1985. The Board of Directors of the company has decided to make a reference to the BIFR under section 23(1) of SICA for determination of measures which could be adopted in respect of the company and accordingly a reference shall be made based on the annual accounts for the year ended 31<sup>st</sup> March 2002

**REPLY TO AUDITORS' QUALIFICATION**

The Company has sent confirmation of Balances to Debtors and Creditors. Some of the confirmations have been received on date. The confirmation letters received from other parties will be forwarded to auditors on its receipt. As per

account statements of parties in our books, the balances shown are in order.

**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

Date : 31.08.2002

M. Thangavelu

Chairman&Managing Director

**INFORMATION PERTAINING TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31.03.2002.****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**

- NIL -

By Order of the Board

Place: CHENNAI

Date : 31.08.2002

M. Thangavelu

Chairman&Managing Director

## MARIS SPINNERS LTD

## FORM - A

( See Rule 2 )

Form for disclosure of particulars with respect to conservation of energy

PARTICULARS	UNIT I	UNIT II	CONSOLIDATED	
	2001-2002	2001-2002	2001-2002	2000-2001
<b>A Power and Fuel Consumption</b>				
1. Electricity				
a. Purchased				
Unit	5239372	7837636	13077008	14490664
Total Amount	20273260	31496380	51769620	56202016
Rate per Unit	3.87	4.02	3.96	Rs. 3.87
b. Own Generation through Diesel Generator				
Unit	279964	150818	430782	826921
Unit per litre Diesel	3.490	3.510	3.500	3.570
Cost/Unit	4.949	5.290	5.119	Rs. 4.57
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	2.885	3.528	3.106	3.076
Furnace Oil	NIL	NIL	NIL	NIL
Coal	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL

Place : CHENNAI

Date : 31.08.2002

By Order of the Board

( M. THANGAVELU )

Chairman &amp; Managing Director

## MARIS SPINNERS LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

I	<b>REGISTRATION DETAILS</b>		
	Registration No.	:	032618
	State Code	:	18
	Balance Sheet I	:	31.03.2002
II	<b>CAPITAL RAISED DURING THE YEAR</b>		
	( Amount Rs. In Thousand)		
	Public Issue	:	
	Bonus Issue	:	
	Rights Issue	:	
	Private Placeme	:	
III	<b>POSITION OF MOBILISATION &amp; DEPLOYMENT OF FUNDS</b>		
	( Amount Rs. In Thousand)		
	Total Liabilities	:	374938
	Total Assets	:	374938
	<b>SOURCES OF FUNDS</b>		
	Paid up Capital	:	80171
	Reserves & Sur	:	43094
	Secured Loans	:	236895
	Unsecured Loar	:	14778
	<b>APPLICATION OF FUNDS</b>		
	Net Fixed Asset	:	210447
	Net Current Ass	:	51513
	Accumulated Lo	:	111037
	Investments	:	203
	Miscellaneous E	:	1738
IV	<b>PERFORMANCE OF COMPANY</b>		
	( Amount Rs. In Thousand)		
	Turnover	:	471274
	Total Expenditur	:	504162
	Profit Before Ta	:	-32888
	Profit After Tax	:	-32888
	Earning per She	:	
	Dividend	:	
V	<b>GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OR SERVICES OF COMPANY</b>		
	[ as per Monetary terms]		
	Item Code (ITC	:	010101
	Description	:	NA

**AUDITORS' REPORT**

**Auditors' Report to the Members of M/s MARIS SPINNERS LIMITED.**

We have audited the attached Balance sheet of M/s MARIS SPINNERS LIMITED, No 9, Cathedral Road, Chennai- 600 066 as at 31<sup>st</sup> March 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform to obtain reasonable assurance about whether the financial statements are free from the material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books

- c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account
- d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards (as applicable) referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e. *As per the observations made by us and information and explanation provided to us, the transactions or events, which had an adverse effect on the functioning of the company are stated in note no.11 of the Notes to and forming part of accounts.*
- f. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2002 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31<sup>st</sup> March 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- g. In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and Profit and loss account read together with notes thereon subject to Note No.8 with regard to confirmation of debtors & creditors balances, gives the information required by the Companies Act, 1956 and in the manner so required give a true and fair view and is in conformity with the accounting principles generally accepted in India:
  - a. in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2002 ; and
  - b. in the case of the Profit and Loss Account, of the loss of the company for the year ended on that date.

Place:Bangalore  
Date: 31.08.2002

For N.C.S. RAGHAVAN & CO.  
CHARTERED ACCOUNTANTS  
(N.C. SUNDARA RAGHAVAN)  
PARTNER