

24th Annual Report 2002-2003

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M A R I S
SPINNERS
LIMITED





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 : 91-44-28115910 / 12 / 18
E-mail: msl@vsnl.com
Fax : 91-44-28111513

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.

MILLS

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

UNIT II : Sevalur Village
Manapparai Taluk
TRICHY DISTRICT – 621 306

SHARES LISTED AT :

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

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

SHARE TRANSFER AGENTS:

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

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **TWENTY FOURTH ANNUAL GENERAL MEETING** of the members of the Company will be held on **Monday the 29th day of September 2003 at 9.30 AM at Hotel Maris, 1 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 31st March 2003 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. Anand Rengaswamy 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 retires at this meeting are being eligible for re-appointment.

SPECIAL BUSINESS:

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

RESOLVED THAT consent of the Company be and is hereby accorded under Section 163 of the Companies Act, 1956 to maintain the Register of Members, Index, Returns and copies of the documents etc., effective 01/02/2003 at the office of the Share Transfer Agents, M/s. Cameo Corporate Services Limited at " Subramanian Building" No. 1, Club House Road, Chennai – 600 002 or such other offices of the Share Transfer Agents as may be considered convenient for administrative reasons.

By Order of the Board

M. Thangavelu

Chairman & Managing Director

Place : Chennai

Date : 30.08.2003

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 24/09/2003 to 29/09/2003 (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 or to the share transfer agents M/s. Cameo Corporate Services Limited at " Subramanian Building" No. 1, Club House Road, Chennai – 600 002.
4. An 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 Register of Members, Index, Returns and copies of the documents etc., were kept at the Registered Office of the Company. Subsequent to the dematerialisation of shares of your Company, the share transfer work for electronic segment are now handled by M/s. Cameo Corporate Services Limited. For administrative convenience it was decided to appoint M/s. Cameo Corporate Services Limited as Registrar for physical segment also with effect from 01/02/2003. In view of this the Register of Members, Index, Returns and copies of the documents etc., are being kept at the office of the Share Transfer Agents, M/s. Cameo Corporate Services Limited at Subramanian Building, No. 1, Club House Road, Chennai – 600 002. Accordingly, a Special Resolution as required under Section 163 of the Companies Act, 1956, is submitted vide item No. 4 for your approval.

None of the Directors are interested in the subject otherwise than as the Shareholders of the Company.

By Order of the Board

M. Thangavelu
Chairman & Managing Director

Place : Chennai
Date : 30.08.2003

REPORT OF THE BOARD OF DIRECTORS TO THE SHARE HOLDERS

Dear Shareholders,

The Directors have pleasure in presenting the Twenty Fourth Annual Report on the business and operations of your Company, together with Audited Financial Statements for the year ended 31st March 2003.

FINANCIAL RESULTS

HIGHLIGHTS OF FINANCIAL RESULTS FOR THE YEAR ARE AS UNDER:

(Rs. In Lakhs)

	Period Ended 31.03.2003	Period Ended 31.03.2002
TURNOVER	4457.74	4751.11
Profit before Depreciation, Investment Allowance		
Reserve & Tax	419.60	23.56
Less: Depreciation & Investment		
Allowance Reserve	309.30	305.32
Profit / Loss before Tax	110.30	(-) 328.88
Less: Provision for Taxation		
Profit / Loss for the year	110.30	(-) 328.88

DIVIDEND:

Board of Directors of the Company have not recommended any dividend for the year.

ECONOMIC SCENARIO

The continuing economic slowdown of the past year and negative impact especially in the textile industry caused the low level operation and attributed impediment to the growth. The market environment is so competitive due to the phenomenal growth of unorganised sector in the industry.

OPERATIONS

During the year under review your Company registered a 6% decrease in turnover as compared to the preceding financial year. Inspite of this your Company has been able to record marginal profit due to strict quality measures adopted.

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. Anand Rengaswamy, Director of the Company, retires by rotation and is being eligible offers himself for re-appointment.

Directors Responsibility Statement:

The Directors confirm that:

1. In preparation of the Annual accounts, the applicable accounting standards had been followed. There are no material departures from the applicable accounting standards.
2. Such accounting policies have been selected and applied consistently and such judgements and estimates have been made as are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March 2003 and of the profit of the Company for that period.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The statements of accounts for the year ended on 31st March 2003 have been prepared 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, Sri. A. Gopala Iyengar, Bangalore, has been appointed to conduct the Cost Audit for the year ended 31st March 2003

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.

REPLY TO AUDITORS' QUALIFICATION

With regard to qualification made in Note. 7 of Notes forming of Accounts, requests has been made for confirmation of balances from Debtors & 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 Industrial Development Bank of India, ICICI Bank 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 throughout the year.

By Order of the Board

M. Thangavelu

Chairman & Managing Director

Place : Chennai

Date : 30.08.2003

INFORMATION PERTAINING TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31.03.2003

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

M. Thangavelu

Chairman & Managing Director

Place : Chennai

Date : 30.08.2003

MARIS SPINNERS LIMITED

FORM A (See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

S/N	PARTICULARS	UNIT I	UNIT II	CONSOLIDATED	
		31.03.2003	31.03.2003	31.03.2003	31.03.2002
A	Power and Fuel Consumption				
	1. Electricity				
	a. Purchased				
	Unit	4816905	7886360	12703265	13077008
	Total Amount- Rs.	20081927	30247087	50329014	51769620
	Rate per Unit	4.17	3.84	3.96	3.96
	b. Own Generation through Diesel Generator				
	Unit	546658	474479	1021137	430782
	Unit per litre Diesel	3.47	3.63	3.540	3.500
	Cost/Unit	5.37	5.68	5.51	5.12
	2. Coal				
	3. Furnace Oil				
	4. Others/ Internal Generation				
B	Consumption per Unit of Production				
	(Standard if any - Nil)				
	Products (with) details unit				
	Electricity	3.016	3.773	3.436	3.106
	Furnace Oil				
	Coal				
	Others				

By Order of the Board

Place : Chennai
Date : 30.08.2003(M. THANGAVELU)
Chairman & Managing Director

AUDITORS' REPORT**Auditor's 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-600 086 at 31st March 2003 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 (Auditor's 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) On the basis of written representations received from the directors, as on 31st March, 2003 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2003 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

(f) 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.7 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 31st March, 2003; and
- (b) in the case of the Profit and Loss Account, of the loss of the company for the year ended on that date.

for N.C.S. RAGHAVAN & CO.
CHARTERED ACCOUNTANTS

(N.C. SUNDARA RAGHAVAN)
PARTNER

Place: Bangalore
Date: 30.08.2003