

26th Annual Report 2004 - 2005

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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

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

Indian Bank
Thousand Lights Branch
Chennai 600 006

**REGISTERED & ADMINISTRATIVE
OFFICE**

9 Cathedral Road
CHENNAI 600 086.
Phone :91-44-28115910 / 12 / 18
Fax : 91-44-28111513

E-mail: msl@vsnl.com

MILLS

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

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

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



MARIS SPINNERS LIMITED

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the members of the Company will be held on **Friday the 29th day of July 2005 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 **31st March 2005** 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 modification the following resolution as a **SPECIAL RESOLUTION**
RESOLVED THAT pursuant to the provision 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 **1st September 2005** on the following terms and conditions.

Salary : No remuneration is

Perquisites	: payable for time being : Rent free furnished accomodation
Provident fund & Superannuation Fund	: As per the Company's rules
Leave Encash -ment	: As per the Company's rules
Gratuity	: 15 days salary for every year of Service

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 authorized 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 re-appoint **Sri.Anand Rengaswamy** as Executive Director of the Company for a period of five years from **15th June 2005**, 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.



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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

M. Thangavelu

Chairman & Managing Director

Place : Chennai

Date : 01.07.2005

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

25/07/2005 to 29/07/2005 (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 or to the share transfer agents M/s. Cameo Corporate Services Limited at " Subramanian Building" No. 1, Club House Road, Chennai – 600 002.
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 Managing Director and his present tenure expires on 31.08.2005 and it is considered necessary to reappoint for a further period of five years with effect from 01.09.2005 in the board meeting held on 01.07.2005.

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 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 01.07.2005 subject to the approval of the members for a period of five years from 15th June 2005 on the following terms and conditions:

Salary	: Rs.15000/- Per Month
Perquisites	: Rent free furnished accomodation
Provident fund & Superannuation Fund	: As per the Company's rules
Leave Encash -ment	: As per the Company's rules
Gratuity	: 15 days salary for every year of Service



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Use of Car & Telephone:

Provision of the Company's Car and driver for 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 of Sri.Anand Rengaswamy from time to time 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 Board of Directors of the Company.

The Directors therefore recommend the passing of the Special Resolution contained in Item No.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

M. Thangavelu

Chairman & Managing Director

Place : Chennai

Date : 01.07.2005

REPORT OF THE BOARD OF DIRECTORS TO THE SHARE HOLDERS

Dear Shareholders,

The Directors have pleasure in presenting the **Twenty Sixth Annual Report** on the business and operations of your Company, together with Audited Financial Statements for the year ended **31st March 2005**

FINANCIAL RESULTS

HIGHLIGHTS OF FINANCIAL RESULTS

(Rs. In Lakhs)

	Period Ended 31.03.2005	Period Ended 31.03.2004
TURNOVER	5446.51	5921.62
Profit before Depreciation, Investment Allowance		
Reserve & Tax	524.96	499.42
Less: Depreciation & Investment		
Allowance Reserve	<u>364.20</u>	<u>333.58</u>
Profit / Loss before Tax	160.76	165.94
Less: Provision for Taxation	<u>13.28</u>	
Profit / Loss for the year	147.48	165.94

DIVIDEND:

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



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BUSINESS OPERATIONS

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. However your company has been able to achieve a turnover of Rs.54.46 Crores and confident of better performance in the coming years.

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 2005 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 2005 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 2005

PARTICULARS OF EMPLOYEES

No employee of the company was in receipt of 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.



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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., The Karur Vysya Bank Ltd., and Indian Bank. 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

M. Thangavelu

Chairman & Managing Director

Place : Chennai

Date : 01.07.2005

INFORMATION PERTAINING TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31.03.2005

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 : 01.07.2005

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**, ('the Company') No 9, Cathedral Road, Chennai- 600 086 as at **31st March 2005** and the related Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date which we have signed under reference to this report. 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



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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 Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and according to the information and explanation given to us we enclose in the Annexure a statement on the matters specified in Paragraphs 4 & 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure 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, Profit and Loss Account and Cash Flow Statement 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, 2005 and taken on record by the Board of Directors,

we report that none of the Directors of the Company are disqualified as on 31st March 2005 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

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005 ; and
- ii. in the case of the Profit and Loss year Account, of the profit of the Company for the ended on that date.
- iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

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

(N.C. SUNDARA RAGHAVAN)
PARTNER

Place: Bangalore
Date: 01.07.2005



MARIS SPINNERS LIMITED

ANNEXURE TO AUDITORS REPORT

Statement of matters as specified

In Paragraphs 4 and 5 of COMPANIES
(AUDITORS REPORT) ORDER, 2003.

PARA – 4:

- | | |
|---|---|
| <p>i. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>ii. According to the information and explanations given to us, physical verification of Fixed Assets have been carried out by the management at reasonable intervals and no material discrepancies have been noticed on such verification.</p> <p>iii. As the company has not made any sale or has not otherwise disposed off a substantial part of its fixed assets, reporting under para 4(i)(c) does not arise.</p> <p>iv. According to the information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year.</p> <p>v. According to the information available and explanations given to us and in our opinion, the procedures of physical verification of inventory followed by the management are reasonable and commensurate with size of the company and the nature of its business.</p> <p>vi. The company is maintaining proper records of inventory and between the physical inventory and the book inventory noticed on the physical</p> | <p>verification as mentioned in Paragraph 5 above are not material.</p> <p>vii. The Company has neither granted nor taken any loans, secured or unsecured to / from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence reporting under Para 4(iii) of the Order does not arise.</p> <p>viii. There is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us we have neither come across nor have we been informed of any continuing failure to correct weaknesses in the aforesaid internal control system.</p> <p>ix. All the transactions that need to be entered into a register in pursuance of Section 301 of the Act have been entered.</p> <p>x. The prices at which purchases of goods were made from the parties listed in the register maintained under Section 301 of the Act are reasonable having regard to the prevailing market prices for the purchase of such goods, materials and services.</p> <p>xi. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act 1956 and the rules framed thereunder and hence reporting under Para 4(vi) of the Order does not arise.</p> |
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