

28th Annual Report 2006-2007



M A R I S
SPINNERS
LIMITED





MARIS SPINNERS LIMITED

MANAGING DIRECTOR

Sri. Anand Rengaswamy

DIRECTORS

Sri. M. Rengaswamy
Sri. T. Jayaraman
Sri. T. Raghuraman
Sri. S. Venkataramani
Sri. S. Srivatsan
Sri. Premal H Udani

REGISTERED & ADMINISTRATIVE OFFICE

11, Cathedral Road,
Chennai – 600 086.
Phone : 91-44-2811 59 10 / 12 / 18
Fax : 91-44-2811 15 13
Mail : msl@vsnl.com

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

BANKERS : Indian Overseas Bank,
Cathedral Branch,
Chennai – 600 002.

The Karur Vysya Bank Ltd.,
Whites Road Branch,
Chennai – 600 014.

The Karur Vysya Bank Ltd.,
Cantonment Branch,
Trichy – 620 001.

Indian Bank,
Thousand Lights Branch,
Chennai – 600 006.

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 EIGHTH ANNUAL GENERAL MEETING** of the members of the Company will be held on **Friday the 28th day of September 2007 at 9.30 AM at Hotel Maris, I Floor, Conference Hall, 11, 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 2007** 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. S.Venkataramani** who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of **Sri. S.Srivatsan** who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 :

5. 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 198, 269, 309, 310 and other applicable provisions if any of the Companies Act, 1956, read with Schedule XIII Sri Anand Rengaswamy be and is hereby appointed as the Managing Director of the Company for a period of five years, on the following terms and conditions.

Salary	: Rs. 30,000/- per month.
Perquisites	: Rent free furnished accomodation
Provident fund & Superannuation fund	: As per the Company's rules
Leave Encashment	: As per the Company's rules
Gratuity	: 15 days salary for every completed 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.

FURTHER RESOLVED THAT, in case of inadequacy of Profit or Loss in any year the remuneration if any payable to Sri. Anand Rengaswamy shall be in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

6. To consider and if thought fit to pass, with or without modification the following resolution as an ordinary Resolution

RESOLVED THAT Sri T. Raghuraman be and is hereby appointed as Director of the company liable to retire by rotation.

By Order of the Board

Place : Chennai
Date : 20.08.2007

ANAND RENGASWAMY
Managing Director



MARIS SPINNERS LIMITED

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 and share transfer books of the Company shall remain closed from **25.09.2007 to 28.09.2007** (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 of the Companies Act, 1956, in respect of items 5 and 6 setout above is annexed hereto:

ANNEXURE TO THE NOTICE :

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

Item No. 5

Sri. Anand Rengaswamy was appointed as Managing Director consequent to the sad demise of Sri. M. Thangavelu, on 8th June 2007, in the Board meeting held on 27th July 2007, subject to the approval of members in the ensuing Annual General Meeting, pursuant to Section 269 of the Companies Act, 1956. The said appointment of Managing Director is done under Schedule XIII of the Companies Act, and effective from 27th July 2007 to 26th July 2012.

The said appointment requires the approval of the members, hence the same is recommended to the members for passing necessary resolution in this connection.

INTEREST OF DIRECTOR

None of the directors except Sri. M. Rengaswamy, Director is interested or concerned in this resolution.

Item No. 6

Sri. T. Raghuraman was appointed as a Director with effect from 27th July 2007 in terms of Section 260 of the Companies Act, 1956, Sri. T. Raghuraman can hold office of the Director until the conclusion of this Annual General Meeting and necessary notice has been received from a member proposing his candidature for the post of Director pursuant to Section 257 of the Companies Act, 1956.

INTEREST OF DIRECTOR

None of the directors except Sri. T. Jayaraman, Director is interested or concerned in this resolution.

By Order of the Board

Place : Chennai
Date : 20.08.2007

ANAND RENGASWAMY
Managing Director



MARIS SPINNERS LIMITED

REPORT OF THE BOARD OF DIRECTORS TO THE SHARE HOLDERS

Dear Shareholders,

The Directors have pleasure in presenting the **Twenty Eighth Annual Report** on the business and operations of your Company, together with Audited Financial Statements for the year ended **31st March 2007**

FINANCIAL RESULTS:

HIGHLIGHTS OF FINANCIAL RESULTS

	(Rs. In Lakh)	
	Year Ended 31.03.2007	Year Ended 31.03.2006
TURNOVER	6853.42	6124.09
Profit before Depreciation, Investment Allowance Reserve & Tax	814.52	711.02
Less: Depreciation & Investment Allowance Reserve	<u>561.79</u>	<u>460.24</u>
Profit / Loss before Tax	252.73	250.78
Less: Provision for Taxation	<u>37.70</u>	<u>21.89</u>
Profit / Loss for the year	215.03	228.89

DIVIDEND:

During the year under review, your Board of Directors have not recommended any dividend.

BUSINESS OPERATIONS:

Your company has been able to achieve a turnover of Rs. 68.53 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.

INDUSTRIAL RELATIONS AND PARTICULARS OF EMPLOYEES:

The industrial relations continued to be cordial throughout the year.

Your Directors wish to place on record their sincere appreciation for the wholehearted support and contribution made by all the employees during the year. The competence, hard work, solidarity, sincerity and co-operation have enabled the company to achieve the desired results.

During the year under review, no employee of the company, whether employed whole or part of the year, was drawing a remuneration exceeding the limits prescribed in Section 217 (2A) of the Companies Act, 1956.

DIRECTORS:

During the year under report Sri. M.Thangavelu, Chairman and Managing Director, passed away after a brief illness. The directors placed on record the valuable services rendered during the tenure as Chairman and Managing Director of the Company.



MARIS SPINNERS LIMITED

Consequent to the sad demise of Sri.M.Thangavelu, the board of directors in their meeting held 27th July 2007, unanimously appointed Sri. Anand Rengaswamy, the present Executive Director as the Managing Director of the Company for a period of 5 years from 27.07.2007 to 26.07.2012, on the terms and conditions as set out in notice. In accordance with the provisions of the Companies Act 1956, Sri. S.Venkataramani and Sri. S. Srivatsan directors retires by rotation and being eligible offer themselves for re-appointment .

Sri. T Raghuraman has been appointed as additional director on 27th July 2007 and to hold office upto the date of the ensuing Annual General Meeting as per the provisions of Section 260 of the Companies Act, 1956. Necessary notice has been received by the Company from a member under section 257 of the Companies Act 1956, proposing his appointment as a Director.

PUBLIC DEPOSITS:

The Company has not accepted any deposits from the public during the year under review.

INSURANCE:

All the insurable interests and risks of your company have been adequately insured with the insurance company.

CORPORATE GOVERNANCE:

Your company firmly believes that good corporate governance strengthens the shareholders confidence and ensures long term partnership that really helps in achieving the corporate goals.

Your company has been practicing good corporate governance and it believes in transparency in operations, professionalism and accountability and follows the philosophy of working towards enhancing the stake holders value, catering to the needs of its customers, employees and society at large.

Pursuant to clause 49 of the listing agreement executed with the stock exchanges, your company has generally complied and implemented the mandatory requirements of the code of corporate governance and a detailed note in this regard is annexed in the Annual report.

Status of compliance of the code of corporate governance is being reported to the stock exchanges on quarterly basis.

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 2007** 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 2007** 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 2007**.



MARIS SPINNERS LIMITED

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.

REPLY TO AUDITORS' QUALIFICATION:

With regard to qualification made in Note.6 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., The Indian Overseas Bank 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.

The Board of Directors also wishes to thank the company's stake holders and esteemed business associates for their valued contribution and support.

By Order of the Board

Place: Chennai
Date : 20.08.2007

ANAND RENGASWAMY
Managing Director

M. RENGASWAMY
Director

INFORMATION PERTAINING TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31.03.2007

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 EXCHANGE EARNINGS AND OUTGO

Earnings – Rs.1185.27 Lakh

Outgo – Rs. 347.57 Lakh

By Order of the Board

Place: Chennai
Date : 20.08.2007

ANAND RENGASWAMY
Managing Director

M. RENGASWAMY
Director



MARIS SPINNERS LIMITED

REPORT ON CORPORATE GOVERNANCE (IN COMPLIANCE OF CLAUSE 49 OF THE LISTING AGREEMENT EXECUTED WITH THE STOCK EXCHANGES)

The Company firmly believes that Corporate Governance is an essential component for a successful enterprise. Sound corporate governance no doubt, provides value addition and compliance of standards, improve the organizational skills to achieve better long term results and disclosures to stakeholders, ensure adequate information to assess the performance of the Company.

The Company makes disclosures of its operations and performance to public through the Annual Reports, quarterly financial results, and timely press releases. The Company has implemented all mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement in force for the time being.

The report on Corporate Governance covers the following:

- i. Board of Directors
- ii. Committees of the Board
- iii. Shareholder information
- iv. Other disclosures.

i. BOARD OF DIRECTORS

a. COMPOSITION OF BOARD AND ATTENDANCE PARTICULARS:

The present strength of the Board of Directors is seven, its composition being as given below:

Executive Promoter Directors	4
Non-Executive Independent Directors	3

b. BOARD MEETINGS AND RELATED INFORMATION:

During the year five meetings of the Board of Directors were held viz., on 28th April 2006, 29th July 2006, 28th August 2006, 31st October 2006 and 31st January 2007.

The attendance particulars of each Director at the Board Meetings and last Annual General Meeting :

Directors	No of Board meetings attended during the year	Attendance At last AGM 22.09.2006	No. of other Companies in which they are Directors	No. of other Committees (other than this Company) in which Chairman / Members
Executive Promoter Directors				
Sri.M.Thangavelu	5	Yes	3	NONE
Sri.M.Rengaswamy	5	Yes	4	NONE
Sri.Anand Rengaswamy	5	Yes	2	NONE
Sri.T.Jayaraman	4	Yes	3	NONE
Non-Executive Independent Directors				
Sri.S.Venkataramani	4	Yes	5	NONE
Sri.S.Srivatsan	2	-	NONE	NONE
Sri.Premal H.Udani	1	-	11	4



MARIS SPINNERS LIMITED

ii. COMMITTEES OF THE BOARD

1. AUDIT COMMITTEE

The role and the authority including the powers of this committee are in line with the requirements of the Companies Act, 1956 and the listing agreement executed with the stock exchanges. The said committee comprises the following Directors as members:

- (a) Sri. S.Venkataramani – Chairman
- (b) Sri. S.Srivatsan
- (c) Sri. Anand Rengaswamy

The terms of reference of the Committee broadly comprise:

- (a) Overall review of the Company's periodical financial statements; financial reporting process; disclosure policies and ensuring that they are appropriate, accurate and credible and more particularly :
 - i) changes in accounting policies and procedures
 - ii) qualifications if any given in the draft audit report.
 - iii) significant adjustments in the audit report.
 - iv) on the major entries made in the accounts based on the exercise of judgment made by the management.
 - v) the going concern concept assumption.
 - vi) compliance with the accounting standards as prescribed by ICAI
 - vii) compliance with requirements of stock exchanges and legal requirements concerning the financial statements
- (b) Recommending the appointments and removal of external auditor, fixation of audit fee and also approval for payment for other services.
- (c) Periodic reviewing of the adequacy of the internal audit, internal controls and discussions with the external auditors thereon. Depending upon the necessity the senior personnel from the concerned department are called to the meeting.

During the financial year 2006 - 07 five meetings of the Audit Committee were held viz., on 28th April 2006, 29th July 2006, 28th August 2006, 31st October 2006 and 31st January 2007 and attendance of the members of the audit Committee at these meetings is as follows:

NAME OF DIRECTOR/MEMBER	No.OF MEETINGS HELD	No.OF MEETINGS ATTENDED
Sri. S.Venkataramani	5	4
Sri. S.Srivatsan	5	2
Sri. Anand Rengaswamy	5	5

2. SHARE TRANSFER COMMITTEE / INVESTORS GRIEVANCE COMMITTEE

The Board has constituted Share Transfer / Investor Grievance Committee under the Chairmanship of Sri.S.Venkataramani (Non-Executive Director) to look after various issues of the shareholders/investors such as transfer of shares, issue of share certificate, redressal of shareholders / investors complaints. Generally this committee meets once in a month. During the financial year eight meetings were held, the attendance of the members at these meetings is as follows :

NAME OF DIRECTOR / MEMBER	No.OF MEETINGS HELD	No.OF MEETINGS ATTENDED
Sri.S.Venkataramani	5	4
Sri.S.Srivatsan	5	2
Sri.Anand Rengaswamy	5	5

Mr.S.Subramanian, Accounts Manager is the Compliance Officer of the Company.



MARIS SPINNERS LIMITED

iii. SHARE HOLDER INFORMATION

General Body Meeting

The details of the last three Annual General meetings held are as follows :

YEAR	DATE	TIME	VENUE
2004	30.09.2004	9.30 A.M	HOTEL MARIS 9 CATHEDRAL ROAD CHENNAI – 600 086
2005	29.07.2005	9.30 A.M	HOTEL MARIS 9 CATHEDRAL ROAD CHENNAI – 600 086
2006	22.09.2006	9.30 A.M	HOTEL MARIS 9 CATHEDRAL ROAD CHENNAI – 600 086

No resolution was put through postal ballot during last year.

Special Resolutions with respect to the following were passed during the last three years:

At the Annual General meeting held on 29.07.2005 – to re-appoint Sri.M.Thangavelu and Sri.Anand Rengaswamy as Managing Director and Executive Director respectively for a further period of five years.

iv. DISCLOSURES

- Transactions with the related parties have been included in the Notes to the Accounts of the company for the year ended 31st March. 2007.
- The Board is of the bonafide belief that there are no materially significant related party transactions made by the company with its Promoters, Directors, or Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.
- During the last three years, there were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- The Company has not established a website browser policy.
- The company has generally complied with all the mandatory disclosure requirements under Clause 49 of the Listing Agreement.

Means of communication

- The company has been sending annual reports, notices and other communications to each household of shareholders.
- The quarterly reports in the prescribed format were published in the News Papers (News Today – English and Malai Sudar – Tamil) as required by the Listing Agreements with The Stock Exchange, Mumbai and The Madras Stock Exchange Ltd.
- The Company does not have any website.
- There were no presentations made to institutional investors or analysts, during the year.