

# MARIS SPINNERS LIMITED

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## MANAGING DIRECTOR

Sri. Anandkumar 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 28115910 / 12 / 18  
Fax : 91 44 28111513  
Mail : msl@vsnl.com  
Web : www.maris.co.in

## MILLS

**UNIT I** : Kattemalalavadi Village  
Hunsur Taluk  
Mysore District – 571 134  
Karnataka

**UNIT II** : Sevalur Village  
Manapparai Taluk  
Trichy District – 621 306  
Tamilnadu

## SHARE TRANSFER AGENTS:

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

**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.

## SHARES LISTED AT :

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

Bombay Stock Exchange  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001.



# MARIS SPINNERS LIMITED

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## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **THIRTY THIRD ANNUAL GENERAL MEETING** of the members of the Company will be held on **Friday the 21st day of September 2012 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 2012** 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. Srivatsan** who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of **Sri Premal H Udani** 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 pass with or without modification the following resolution as special resolution

RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 317 read with Schedule XIII of the Companies Act, 1956 and all other applicable provisions of the Companies Act, 1956 or any other statutory modifications or re-enactment thereof approval of the members be and is hereby accorded to the re-appointment of Mr. Anandkumar Rengaswamy as Managing Director of the Company for a period of three years with effect from 1st July 2012 on the following terms and conditions :

|                                       |  |
|---------------------------------------|--|
| Salary                                | : Rs. 1,00,000 per month   |
| Perquisites                           | : Rent free furnished accommodation  |
| Provident fund & super annuation 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 perquisite. |

RESOLVED Further that, in case of inadequacy of Profit or loss in any year the remuneration if any payable to Mr. Anandkumar Rengaswamy shall be in accordance with the provisions of Schedule XIII of the Companies Act, 1956.



**RESOLVED** Further that the Board of Directors ( hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution ) are hereby authorised to alter and vary the terms and conditions of appointment and / or remuneration subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

By Order of the Board

Place: Chennai  
Date : 20.08.2012

**ANANDKUMAR RENGASWAMY**  
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 and share transfer books of the Company shall remain closed from **15.09.2012 to 21.09.2012** ( 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 Sec 173(2) of the Companies Act is annexed.
6. Particulars of directors retiring by rotation;

# MARIS SPINNERS LIMITED

Pursuant to Clause 49 of the listing Agreement with the stock exchange following information are furnished about the directors proposed to be reappointed, vide item no. 2,3 & 5 of notice dated 20.08.2012

| S.No. | PARTICULARS  | MANAGING DIRECTOR                                | DIRECTOR             | DIRECTOR            |
|-------|--|--|----------------------|---------------------|
| a     | Name of the director   | ANANDKUMAR RENGASWAMY                            | S SRIVATSAN          | PREMAL H UDANI      |
| b     | Date of birth  | 01.05.1957                                       | 14.12.1956           | 20.02.1960          |
| c     | Date of appointment of the board as the director   | 15.06.1995                                       | 14.11.2005           | 14.11.2005          |
| d     | Expertise in specific function areas   | Business - Textiles, Power, Hospitality Industry | Chartered Accountant | Business - Textiles |
| e     | Qualification  | B.Sc., M.Tech.                                   | CA                   | MBA                 |
| f     | Number of equity shares held in the company by the director or other persons on a beneficial basis | 12,13,010 Shares                                 | Nil                  | Nil                 |
| g     | List of outside directorships held in public companies   | 2  | Nil                  | Nil                 |

## Explanatory Statement pursuant to Sec 173(2) of the Companies Act, 1956

Mr. Anandkumar Rengaswamy was appointed as Managing Director for a period of 5 years with effect from 1st July 2007 at the annual General Meeting held on 28.09.2007 . Since his appointment is due for renewal on 1.7.2012, the Remuneration Committee in its meeting held on 30.06.2012 approved the re-appointment of Managing Director for a period of three years with effect from 1.7.2012 as per the terms and conditions mentioned in the resolution stated in the notice and the re-appointment has also been approved by the board of directors in their meeting held on 30.06.2012.

The Board recommends the resolution for the approval of the shareholders as special resolution. None of the directors except Mr. Anandkumar Rengaswamy and Mr. M.Rengaswamy are interested in or concerned with the resolution.



## REPORT OF THE BOARD OF DIRECTORS TO THE SHARE HOLDERS

Dear Shareholders,

The Directors have pleasure in presenting the **Thirty Third Annual Report** on the business and operations of your Company, together with Audited Financial Statements for the year ended **31st March 2012**

### FINANCIAL RESULTS:

#### HIGHLIGHTS OF FINANCIAL RESULTS

|                                  | (Rs. In Lakh)            |                          |
|----------------------------------|--------------------------|--------------------------|
|                                  | Year Ended<br>31.03.2012 | Year Ended<br>31.03.2011 |
| TURNOVER                         | 9273.57                  | 9123.90                  |
| Profit before Depreciation & Tax | 78.67                    | 1230.67                  |
| Less: Depreciation               | 688.95                   | 522.64                   |
| Profit / Loss before Tax         | (610.28)                 | 708.03                   |
| Less: Provision for Taxation     | 131.45                   | 149.01                   |
| Profit / Loss for the year       | (741.73)                 | 271.40                   |

The turnover for the year 2011-12 is Rs.9273.57 lakh as against Rs. 9123.90 lakh during the previous year. The net loss for the year after tax is Rs.741.73 lakh as against a profit of Rs. 271.40 lakh during the previous year. The loss was due to increase in raw material cost and overall increase in overheads.

### DIVIDEND :

In view of the loss incurred during the year under review, the directors are not recommending dividend.

### BUSINESS OPERATIONS :

Your company has been able to achieve a turnover of Rs.9273.57 lakh 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 :

The industrial relations continued to be good and 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.

### PARTICULARS OF EMPLOYEES as required u/s 217 (2A) of the Companies Act,1956 :

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.

# MARIS SPINNERS LIMITED

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## **DIRECTORS :**

Your Directors intrinsically believe in the philosophy of Corporate Governance and are committed to it for the effective functioning of the Board

In accordance with the provisions of the Companies Act 1956, **Sri. S.Srivatsan and Sri Premal H Udani** directors retires by rotation and being eligible offer themselves for re-appointment .

## **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.

## **CEO CERTIFICATION:**

Mr. Anandkumar Rengaswamy, Managing Director has given his certification to the Board as required under Clause 49 of the listing agreement,

## **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 2012** 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 2012** 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.



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## **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.

### **Revised Schedule VI**

The directors are pleased to inform you that the accounts have been prepared in accordance with the Revised Schedule VI to the Companies Act 1956 in terms of Notification No So 447(E) dated 28.02.2011 and the figures for the previous year ended 31.03.2011 have also been regrouped to conform to the groupings for 31.03.2012 as per revised Schedule VI.

### **ACKNOWLEDGEMENTS :**

The Board conveys acknowledgement for the fullest support extended by The Karur Vysya Bank Ltd., 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 : 20.08.2012

**ANANDKUMAR RENGASWAMY**

Managing Director

**M. RENGASWAMY**

Director

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## **INFORMATION PERTAINING TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31.03.2011**

### **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. Nil Lakh

Outgo – Rs. 6.09 Lakh

By Order of the Board

Place : Chennai

Date : 20.08.2012

**ANANDKUMAR 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 on-going process and essential component for a successful enterprise. Sound corporate governance no doubt, provides value addition and compliance of standards, improves the organizational skills to achieve better long term results and disclosures to stakeholders, ensure adequate information to assess the performance of the Company.

Further the board lays emphasis on trusteeship, transparency, empowerment, accountability and integrity in all its operations and dealings with its stakeholders and outsiders. 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 generally 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 (7) and its composition is as follows:

**Executive Promoter Directors 4**

**Non-Executive Independent Directors 3**

Non-Executive Independent Directors are comprising of professionals and have vast experience in the industry, finance and general expertise to handle and guide the operation towards betterment.

#### b. BOARD MEETINGS AND RELATED INFORMATION:

During the year seven meetings of the Board of Directors were held viz., on 30th April 2011, 30st July 2011, 31st August 2011, 30th September 2011, 31st October 2011, 31st January 2012. and 31st March 2012.

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 30.09.2011 | No. of other Companies in which they are Directors | No. of other Committees (other than this Company) in which Chairman / Members |
|--|---|-----------------------------------|--|---|
| <b>Executive Promoter Directors</b>        |   |                                   |  |   |
| Sri. M.Rengaswamy                          | 7   | Yes                               | 5  | NONE  |
| Sri. Anandkumar Rengaswamy                 | 7   | Yes                               | 6  | NONE  |
| Sri. T.Jayaraman                           | 6   | Yes                               | 3  | NONE  |
| Sri. T.Raghuraman                          | 6   | Yes                               | 3  | NONE  |
| <b>Non-Executive Independent Directors</b> |   |                                   |  |   |
| Sri. S.Venkataramani                       | 4   | No                                | 5  | NONE  |
| Sri. S.Srivatsan                           | 4   | Yes                               | NONE   | NONE  |
| Sri. Premal H.Udani                        | 5   | Yes                               | 11   | 4   |

## 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. Anandkumar 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) to select and establish accounting policies and changes if any 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
  - viii) To review management discussion and analysis of financial condition and results of operation.
  - ix) To review statement of significant related party disclosures submitted by the management.
- (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 year seven meetings of the Board of Directors were held viz., on 30th April 2011, 30st July 2011, 31st August 2011, 30th September 2011, 31st October 2011, 31st January 2012. and 31st March 2012 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       | 7                   | 4                       |
| Sri. S.Srivatsan           | 7                   | 4                       |
| Sri. Anandkumar Rengaswamy | 7                   | 7                       |

### 2. SHARE TRANSFER COMMITTEE / INVESTOR GRIEVANCES COMMITTEE

The Board has constituted Share Transfer / Investor Grievance Committee under the Chairmanship of Sri.S.Venkataramani ( Non-Executive Independent Director ) to look after various issues of the shareholders/investors such as transfer of shares, issue of share certificate, redressal of shareholders / investors complaints. During the financial year five 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       | 7                    | 4                       |
| Sri.S.Srivatsan           | 7                    | 4                       |
| Sri.Anandkumar Rengaswamy | 7                    | 7                       |