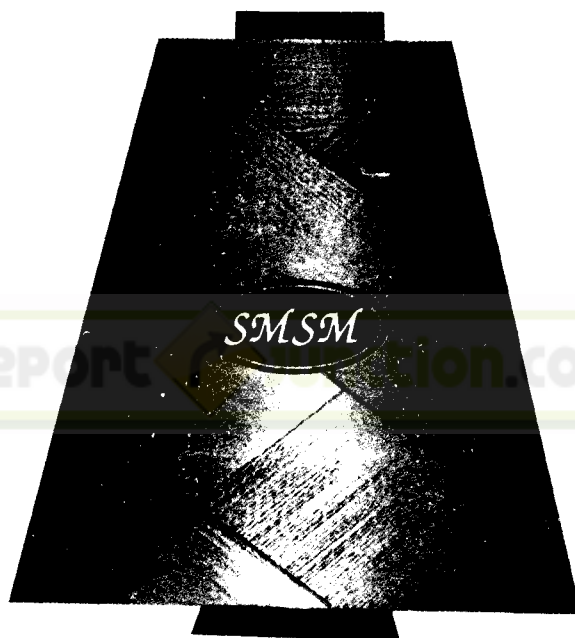


# SRI MALINI SPINNING MILLS LIMITED



19th ANNUAL REPORT  
2008 - 2009



# **SRI MALINI SPINNING MILLS LIMITED**

## **ANNUAL REPORT 2008 - 2009**

### **Board of Directors**

Sri. S. Boopalan

Sri. S. Rajendran

Sri. R. Lakshmi Narayanan

### **Executive Director**

Sri. K.S.S. Prakkaash

### **Auditors**

L. Narayanan

Salem

### **Regd. Office & Factory**

Trichy Main Road,

Sandhiyur,

Mallur (via),

Salem - 636 203.

**SRI MALINI SPINNING MILLS LIMITED**

**Regd. Off. :** Trichy Main Road, Sandhiyur, Mallur (via), SALEM - 636 203.

**NOTICE :**

Notice is hereby given that then Nineteenth Annual General Meeting of the Company will be held on Wednesday 30th September, 2009, at 9.30 a.m. at the Registered Office of the Company at Sandhiyur, Trichy Main Road, Mallur (Via), Salem – 636 203, transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account for the Year ended 31<sup>st</sup> March, 2009 and the Balance Sheet as on that date and the reports of the Directors and Auditors thereon.
2. To consider the re-appointment of Directors retiring by rotation.

Sri.S.Boopalan, the director of the company, is retiring by rotation and being eligible and willing for re-appointment offers himself for the same. Hence, the following resolution is placed before the shareholders.

"Resolved that Sri.. S Boopalan, the Director of the Company, retiring by rotation, being eligible and offering himself for re-appointment, be and is hereby appointed as the Director of the Company."

3. To appoint Auditors for the current year and fix their remuneration.

"Resolved that, the present Auditor of the Company Mr.L.Narayanan, Chartered Accountant, Plot no 28, Sunder Gardens, Modern Theatres, Yercaud Main Road, Salem – 636 008, be and is hereby appointed as the Auditor of the Company until the conclusion of the next Annual General Meeting."

**SPECIAL BUSINESS:**

4. To consider the change in remuneration of Sri KSS Prakkaash, the Executive Director of the Company.

"Resolved that pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and all other applicable provisions if any, of the Companies Act, 1956, the Company hereby approves, with change in the current remuneration from Rs 30000 p.m to Rs 43500 p,m inclusive of Dearness Allowance and all other allowances but exclusive of the provision for gratuity, bonus and encashment of leave as per the rules of the company as fixed earlier in the AGM held on 28.09.2007 "

**Explanatory Statement under Section 173 (2) of the Companies Act, 1956**

In recognition of the immense efforts put in by Shri KSS Prakkaash, the Executive Director of the company to make the company and its operations viable, the management has decided to increase his remuneration to Rs 43500 p.m from Rs 30 000 p.m, with retrospective effect from 1.4.2009 subject to the confirmation of the shareholders in the AGM. Hence the above cited resolution is placed before the share holders for their approval.

By Order of the Board.

Place : Salem.  
Date : 30.06.2009

(KSS PRAKKAASH)  
Executive Director.

**SRI MALINI SPINNING MILLS LIMITED**

**Regd. Off. : Trichy Main Road, Sandhiyur, Mallur (via), SALEM - 636 203.**

**Notes :**

1. A member entitled to attend and vote is authorised to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. The proxy form duly stamped and executed shall be deposited at the registered office of the company atleast 48 Hours before the commencement for the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September 2009 to 30th September 2009 (both days inclusive).
4. Member/Proxies should bring the attendance slip sent herewith duly filled in and handover the same at the entrance of the meeting hall.
5. Consequent upon the rate of capital erosion of the company as stipulated by the Regulations of Depositories, our Company has been denied the facilities of 'dematerialisation'.
6. Therefore the shareholders are requested to send their Share transfer documents and all correspondence relating thereto, to the Registered office of the Company at Trichy Main Road, Sandhiyur, Mallur – Via, Salem – 636 203. The shareholders may kindly ask the transferees to furnish their PAN (Permanent Account Number) for the purpose of transfer, as it is the current requirement stipulated by SEBI for transferring the shares in favour of the transferee.
7. Queries on the Agenda items shall reach the Registered Office at least 10 days before the AGM, so that the same can be suitably replied.

**SRI MALINI SPINNING MILLS LIMITED**

Regd. Off. : Trichy Main Road, Sandhiyur, Mallur (via), SALEM - 636 203.

**DIRECTORS' REPORT**

Your directors have pleasure in presenting the Nineteenth Annual Report with Audited Accounts of the Company.

**FINANCIAL RESULTS**

The Financial Results for the period ended 31-03-2009 are as under :

	Rs. In lacs:	
	2008-2009	2007-2008
Gross Income Operations	130.50	480.96
Profit/Loss before interest and Depreciation	89.88	(-)167.73
Financial Cost	246.54	158.52
Depreciation	25.79	31.49
Prior Period Adjustments	134.61	
Provision for Taxation	—	---
Profit / Loss before taxation	(182.46)	(344.65)
Deferred Tax	(0.86)	(1.61)
Add : Loss brought forward from the Previous Year	(-)1999.56	(-)1655.07
Net Loss carried to Balance Sheet	2181.10	(-)1999.56

**DIVIDEND :**

As the Company has incurred loss, payment of Dividend could not be considered.

**REVIEW OF OPERATIONS AND FUTURE OUT LOOK :**

The Income from operation consists of the lease rental of Rs.9.60 lacs and the interest receipt which is paid in turn to the NBFC's.

In spite of the above changes in income structure the management is taking all efforts to control the expenditure.

# SRI MALINI SPINNING MILLS LIMITED

Regd. Off. : Trichy Main Road, Sandhiyur, Mallur (via), SALEM - 636 203.

## DIRECTORS RESPONSIBILITY STATEMENT :

The Board of Directors of the Company confirms :

1. That in the preparation of the Annual accounts, the applicable accounting standards have been followed and there has been no material departure.
2. That selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the loss of the Company for that period.
3. That 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 safe guarding assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Annual accounts have been prepared on a going concern basis.

## AUDITORS

Our Company Knows that the present Auditor of the Company Mr.L.Narayanan, Chartered Accountant, Plot No.28, Sundar Gardens, Modern Theatres, Yercaud Main Road, Salem – 636 008, was re-appointed as the Auditor of the Company in the AGM held on 29.09.2008. He is holding his office since then. His office becomes vacant with the conclusion of the 19<sup>th</sup> Annual General Meeting. As he is eligible and willing, offers himself for re-appointment during the current year.

## APPOINTMENT OF WHOLE TIME COMPANY SECRETARY

The office of the whole time company secretary is vacant from 1-3-2009 and the board is taking necessary steps to fill the vacancy at the earliest.

## DIRECTORS

As Sri.S.Boopalan, the director of the company, retiring by rotation and being eligible and willing for re-appointment offers himself for the same.

## PARTICULARS OF EMPLOYEES

During the year under review, there were no employees with in the purview of Section 217(2A) of the Companies Act, 1956. Information as required under Section 217(1) (e) is Nil.

## PERSONNEL

Your Directors wish to place on record their deep appreciation of the good work performed by the employees. Cordial relationship is maintained with all the employees of the company. Your Directors look forward to the same in future.

## ACKNOWLEDGEMENT

Your Directors wish to thank various Government Agencies, the Banks and other Institutions for their continued co-operation and support to the Company.

For Sri Malini Spinning Mills Limited

Salem  
30.06.2009.

S. RAJENDRAN  
Director.

K.S.S. PRAKKAASH  
Executive Director

**SRI MALINI SPINNING MILLS LIMITED****Regd. Off. : Trichy Main Road, Sandhiyur, Mallur (via), SALEM - 636 203.****CORPORATE GOVERNANCE REPORT****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :**

Sri Malini Spinning Mills Limited, a Company in the Textile Spinning Activity is committed in adopting the best possible practices of corporate governance. Corporate Governance envisages commitment of the Company towards the attainment of corporate goals at moderate cost, attaining the goal of making itself transparent and accountable with the ultimate objective of protecting the long term interest of the Shareholders and other stakeholders.

The composition of the Board of Directors and other details as at 31<sup>st</sup> March 2009 is as under:-

Name of the Director.	Executive Non-Exec. Independent	No.of Meetings attended	Attendance at last AGM held on 29.09.2008	No.of outside Directorship	No.of Membership/Chairmanship in other Board/Committee
Sri.KSS. Prakkaash	Executive Director.	12	Present	Nil	Nil
Sri.S. Boopalan	Director	12	Present	Nil	Nil
Sri.R. Lakshmi Narayanan	Director	12	Present	Nil	Nil
Sri.S. Rajendran	Director	12	Present	Nil	Nil

The total strength of the Board as on the date of the report is four.

Board Meetings were held during the Financial year 01-04-2008 to 31-03-2009 on the following dates:-

Name of the Director	DATES OF MEETINGS					
	Ist 30.04.08	IIInd 31.05.08	IIIrd 30.06.08	IVth 31.07.08	Vth 30.08.08	VIth 29.09.08
Sri.KSS.Prakkaash	Present	Present	Present	Present	Present	Present
Sri.S.Boopalan	Present	Present	Present	Present	Present	Present
Sri.R.Lakshmi Narayanan	Present	Present	Present	Present	Present	Present
Sri.G.Rajendran	Present	Present	Present	Present	Present	Present

Name of the Director	DATES OF MEETINGS					
	VIIth 31.10.08	VIIth 29.11.08	IXth 30.12.08	Xth 31.01.09	XIth 27.02.09	XIIth 31.03.09
Sri.KSS.Prakkaash	Present	Present	Present	Present	Present	Present
Sri.S.Boopalan	Present	Present	Present	Present	Present	Present
Sri.R.Lakshmi Narayanan	Present	Present	Present	Present	Present	Present
Sri.G.Rajendran	Present	Present	Present	Present	Present	Present

# SRI MALINI SPINNING MILLS LIMITED, SALEM

## AUDIT COMMITTEE :

In Terms of section 292A of the Companies Act, 1956 and amended Clause 49 of the Listing Agreement, an Audit Committee was constituted by the Board in the meeting held on 30.07.2006 with three independent Directors viz Sri.S.Boopalan, Director of the Company, Sri.S.Rajendran, Director of the Company and Sri.R.Lakshmi Narayanan, Director of the Company, S.Boopalan being the chairman of the Committee. The Powers, duties and responsibilities were delegated to the committee as per the stipulations of the Companies Act, 1956.

During the Financial Year 01/04/2008 to 31/03/2009 the Audit Committee met as per the details given here under:

Name of the Director	DATE OF MEETING			
	I	II	III	IV
	15.04.2008	30.08.2008	29.12.2008	31.03.2009
Sri.S.Boopalan	Present	Present	Present	Present
Sri.S.Rajendran	Present	Present	Present	Present
Sri.R.Lakshmi Narayanan	Present	Present	Present	Present

Sri.KSS.Prakkaash, the Executive Director clarified all the Points raised by the Committee as and when he was called for by the committee.

## SHAREHOLDERS' GRIEVANCE

Consequent upon the resignation of the Company Secretary, Sri KSS Prakkaash, the Executive Director of the Company, was appointed by the Board as the Compliance Officer to redress all the genuine grievances of the Shareholders and also to bring to the notice of the Board any matter of importance for the purpose of taking policy decisions in the best interest of the shareholders.

The existing Shareholders / Investors Grievance Committee takes care of the investors' grievances.

The total number of complaints received during the Financial Year 2008-2009 are categorised hereunder:

Nature of Complaint	No. of Complaints
Non receipt of Annual Report and Accounts Annual Reports were sent sufficiently in advance of every AGM. However for share holders who haven't received, copies were sent.	6
Non receipt of Share Certificate	—
Non receipt of Duplicate Share Certificate	—
Non receipt of Refund of Share Application Money	—
Non receipt of Dividend	—



# SRI MALINI SPINNING MILLS LIMITED, SALEM

## OTHERS

All the complaints were replied within 15 days of receipt of complaints.

## SHARE TRANSFER COMMITTEE

A Share Transfer committee consisting of Sri.KSS Prakkaash, the Executive Director of the Company and Sri.R.Lakshmi Narayanan, the Director of the Company as members has been constituted in the Board meeting held on 30.06.2005.

The Committee met 6 times during the Financial year 2008-2009 and ensured that all valid transfer deeds and transmission applications were acted upon and share certificates sent to the transferee promptly with in 30 days of receipt of the documents as required under the provisions of the Stock Exchange Listing Agreements.

## REMUNERATION COMMITTEE

The Existing "Remuneration Committee" has been reconstituted consisting of the same Directors who are members of the reconstituted Shareholder's Grievance Committee.

The Board does not have any intention at present to fix any remuneration to the other Directors except paying the sitting fees with in the limits laid down under the Companies Act'1956.

The details of the remuneration of Sri KSS Prakkaash, the Executive Director of the Company has been fixed as given in the resolution stated above under Special Business'

## ANNUAL GENERAL MEETING :

Location and time for the Last Three AGM's

Year	Date	Time	Venue
2005-2006	29.09.2006	09.30 a.m	Sri Malini Spinning Mills Limited, Registered Office, Sandhiyur (Post), Mallur (Via), Salem – 636 203.
2006-2007	28.09.2007	09.30 a.m	Sri Malini Spinning Mills Limited, Registered Office, Sandhiyur (Post), Mallur (Via), Salem – 636 203.
2007-2008	29.09.2009	09.30 a.m	Sri Malini Spinning Mills Limited, Registered Office, Sandhiyur (Post), Mallur (Via), Salem – 636 203.

No Postal ballot resolutions were passed.

## DISCLOSURE

During the year 2008-2009 the Company did not have any 'related party transactions' as in envisaged under the Corporate Governance Code, that may have conflict with the interest of the Company.

No penalties were imposed on the company during the financial year 2008-2009 by the Stock Exchanges, SEBI or any other statutory Authorities related to Capital Markets.