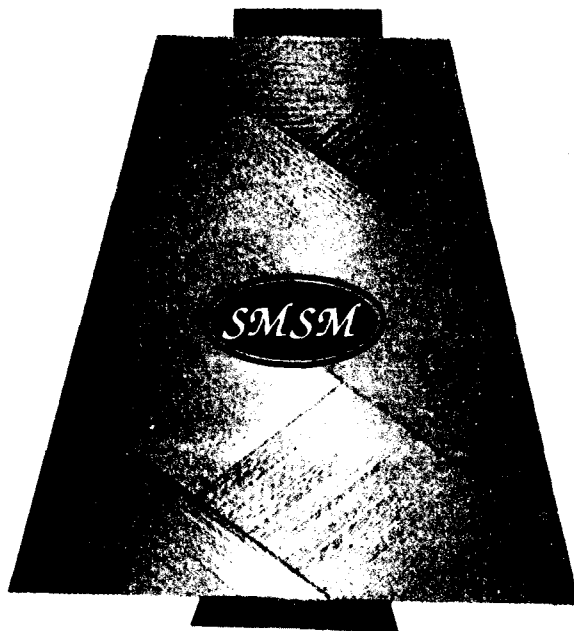


SRI MALINI SPINNING MILLS LIMITED



22st ANNUAL REPORT
2011 - 2012



SRI MALINI SPINNING MILLS LIMITED

ANNUAL REPORT 2011 - 2012

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 Twenty Second Annual General Meeting of the Company will be held on Friday, 28th September, 2012, at 9.30 a.m. at the Registered Office of the Company at Sandhiyur, Trichy Main Road, Mallur (Via), Salem-636 203, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit and Loss Account for the Year ended 31st March 2012 and the Balance Sheet as on that date and the reports of the Directors and Auditors' with the Corporate Governance Report 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 share holders.

"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 authorize the Board to 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 reappointed as Auditors of the Company, until the conclusion of the next Annual General Meeting, on such terms and conditions as to remuneration, out of pocket expenses etc., as may be fixed by the Board of Directors of the Company."

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 at least 48 Hours before the commencement of the Meeting.

SRI MALINI SPINNING MILLS LIMITED**Regd. Off. : Trichy Main Road, Sandhiyur, Mallur (via), SALEM - 636 203.**

3. The Register of members and the Share Transfer Books of the Company will remain closed from 18th September 2012 to 28th September 2012 (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 reach the Registered Office at least **10** days before the AGM, so that the same can be suitably replied.

By Order of the Board.

Place : **Salem.**Date : **31.07.2012**

(KSS PRAKKAASH)

Executive Director.

SRI MALINI SPINNING MILLS LIMITED

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

DIRECTORS' REPORT

The **Board** of Directors of your company have pleasure in presenting the Twenty Second Annual Report of the Company together with the **audited** statements of account for the year ended 31st March, 2012.

1. The financial results are as follows :

Amount in lacs of Rupees

Particulars	2011-2012	2010-2011
Sales including other income	246.65	1582.78
Profit/Loss before interest and Depreciation	-13.55	1408.69
Financial Cost	244.32	205.18
Depreciation	—	14.81
Prior Period Adjustments	—	---
Profit / Loss before Taxation	(13.55)	1188.70
Deferred Tax	—	---
Add : Loss brought forward from the Previous Year	(1287.25)	(2475.96)
Net Loss carried to Balance Sheet	(1300.80)	(1287.25)

DIVIDEND :

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

REVIEW OF OPERATIONS AND FUTURE OUTLOOK :

DURING THE PERIOD UNDER REVIEW THE COMPANY INCURRED A NET LOSS OF RS.13.55 LACS. THE ONLY REVENUE TO THE COMPANY IS BY WAY OF LEASE RENT RECEIVED FROM M/S.THIRUVALLUVAR TEXTILES PRIVATE LIMITED, POST BOX NO.6, 2-9, SINGALANDAPURAM PRIVU ROAD, RASIPURAM-637 408.

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, Sunder Gardens, **Modern** Theatres, Yercaud Main Road, **Salem-636 008**, was re-appointed as the Auditor of the Company in the **AGM** held on 30.09.2011. He is holding his office since then. His office becomes vacant with the conclusion of the **21st** Annual General Meeting. As he is eligible and **willing**, offers himself for re-appointment during the current year.

DIRECTORS

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.



SRI MALINI SPINNING MILLS LIMITED

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

APPOINTMENT OF WHOLE TIME COMPANY SECRETARY

The office of the whole time company secretary is vacant and the board is taking necessary steps to fill the vacancy **at the** earliest.

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
31.07.2012.

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 31st March 2012 is as under:-

Name of the Director.	Executive Non-Exec. Independent	No.of Meetings attended	Attendance at last AGM held on 30.09.2011	No.of outside Direct- orship	No.of Member- ship/Chairman ship in other Board/Committee
Sri.KSS. Prakkaash	Executive Director.	4	Present	Nil	Nil
Sri.S. Boopalan	Independent Director	4	Present	Nil	Nil
Sri.R. Lakshmi Narayanan	Independent Director	4	Present	Nil	Nil
Sri.S. Rajendran	Independent Director	4	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 01-04-2011 to 31-03-2012 on the following **dates:-**

Name of the Director	DATES OF MEETINGS			
	Ist 02.08.2011	IInd 13.08.2011	IIInd 14.11.2011	IVth 13.02.2012
Sri.KSS.Prakkaash	Present	Present	Present	Present
Sri.S.Boopalan	Present	Present	Present	Present
Sri.R.Lakshmi Narayanan	Present	Present	Present	Present
Sri.G.Rajendran	Present	Present	Present	Present

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 01/04/2011 to 31/03/2012 the Audit Committee met as per the details given here under :

SRI MALINI SPINNING MILLS LIMITED, SALEM

Name of the Director	DATE OF MEETINGS			
	I	II	III	IV
	02.08.2011	13.08.2011	14.11.2011	13.02.2012
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

Sri KSS Prakkaash, the Executive Director of the Company, is 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 2011-2012 are categorised hereunder :

Nature of Complaint	No. of Complaints
Non receipt of Annual Report and Accounts	2
Annual Reports were sent sufficiently in advance of every AGM.	
However for share holders who haven't received,	
Copies were sent.	
Non receipt of Share Certificate	—
Non receipt of Duplicate Share Certificate	—
Non receipt of Refund of Share Application Money	—
Non receipt of Dividend	—