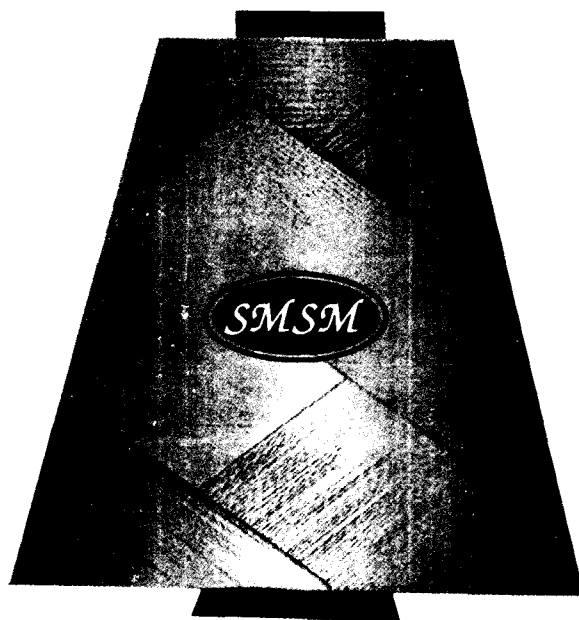


# **SRI MALINI SPINNING MILLS LIMITED**



**23rd ANNUAL REPORT  
2012 - 2013**



## **SRI MALINI SPINNING MILLS LIMITED**

### **ANNUAL REPORT 2012 - 2013**

#### **Board of Directors**

**Sri. S. Boopalan**

**Sri. S. Rajendran**

**Sri. R. Lakshmi Narayanan**

#### **Executive Director**

**Sri. K.S.S. Prakkaash**

#### **Auditors**

**CA. 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 Third Annual General Meeting of the Company will be held on Monday, 30<sup>th</sup> September, 2013, 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 31<sup>st</sup> March 2013 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. Rajendran, 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. Rajendran, 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."

**SPECIAL BUSINESS****MANAGERIAL RE-APPOINTMENT AND REMUNERATION****4. TO CONSIDER THE REVISION OF MANAGERIAL REMUNERATION**

**To pass the following resolution as Special Resolution with or without modification**

"Resolved unanimously that pursuant to, the provisions of Section 269, 198, 310, 311, 316 and other applicable provisions, if any read with Schedule XIII of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force, on recommendations of the Remuneration Committee, approval of the members be and is hereby accorded to the extension of term of office of Mr.KSS.Prakkaash, the Executive Director from 17th August 2013 to 17th August, 2016 with the same existing remuneration."



## **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 authorized 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.
3. The Register of members and the Share Transfer Books of the Company will remain closed from 17<sup>th</sup> September 2013 to 30<sup>th</sup> September 2013 (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.

By Order of the Board.

Place : Salem.

(KSS PRAKKAASH)

Date : 30.05.2013

Executive Director.

### **Explanatory statement u/s 173(2) of the Companies Act, 1956**

It is brought to the kind notice of the members that the term of office of Mr. KSS Prakkaash, the Executive Director, came to an end on 16th August, 2013. He was re-appointed for a term of 3 further years from 17th August, 2013 to 16th August 2016 in the Board meeting held on 14th August, 2013, subject to the approval of the shareholders in the ensuing AGM 2013. Besides the prevailing industry standards of rewarding the talents and expectations of the Whole Time Directors, considering the expertise and efforts required to be contributed by them, to manage and excel in the performance in prevailing sluggish conditions such extension of his term of office was felt necessary.

None of the Directors are interested in the cited resolution under item 4. This statement can be considered an abstract u/s 302 of the Companies Act, 1956.

By Order of the Board.

Place : Salem.

(KSS PRAKKAASH)

Date : 30.05.2013

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 Third Annual Report of the Company together with the audited statements of account for the year ended 31st March, 2013.

#### **1. The financial results are as follows :**

Amount in lacs of Rupees

Particulars	2012-2013	2011-2012
Sales including other income	106.83	246.65
Profit/Loss before interest and Depreciation	(21.01)	(13.55)
Financial Cost	98.74	244.32
Depreciation	---	---
Prior Period Adjustments	5.27	---
Profit / Loss before Taxation	(15.74)	(13.55)
Deferred Tax	---	---
Add : Loss brought forward from the Previous Year	1300.80	(1287.25)
Net Loss carried to Balance Sheet	(1316.54)	(1300.80)

#### **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.15.74 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 28.09.2012. He is holding his office since then. His office becomes vacant with the conclusion of the 22<sup>nd</sup> Annual General Meeting. As he is eligible and willing, offers himself for re-appointment during the current year.

## **DIRECTORS**

### **MANAGERIAL REMUNERATION**

Sri. S. Rajendran, 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  
30.05.2013.**

**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 2013 is as under:-

Name of the Director.	Executive Non-Exec. Independent	No.of Meetings attended	Attendance at last AGM held on 28.09.2012	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 01-04-2012 to 31-03-2013 on the following dates:-

Name of the Director	DATES OF MEETINGS			
	Ist 30.05.2012	IIInd 31.07.2012	IIIrd 09.11.2013	IVth 14.02.2013
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 01/04/2012 to 31/03/2013 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
	30.05.2012	31.07.2012	09.11.2013	14.02.2013
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 2012-2013 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.	3
Non receipt of Share Certificate	—
Non receipt of Duplicate Share Certificate	—
Non receipt of Refund of Share Application Money	—
Non receipt of Dividend	—