

SRI MALINI SPINNING MILLS LIMITED

**27th ANNUAL REPORT
2016 - 2017**



SRI MALINI SPINNING MILLS LIMITED

ANNUAL REPORT 2016 - 2017

Board of Directors

Sri. K. Mohammad Yaseen

Ms. N. Jeyanthei

Mr. K. Ramasamy

Mr. C. Thyagarajan

Sri. S. Boopalan (till 13th August 2016)

Sri. S. Rajendran (till 13th August 2016)

Sri. R. Lakshmi Narayanan (till 13th August 2016)

Auditors

CA. L. Narayanan

Salem

Regd. Office & Factory

Trichy Main Road,

Sandhiyur,

Mallur (via),

Salem - 636 203.

CIN : L17111TZ1990PLC008370

Email id : srimalini2009@gmail.com

Website : www.maliniltd.com



SRI MALINI SPINNING MILLS LIMITED

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

NOTICE :

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Company will be held on Saturday 30th September, 2017, at 9.00 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 Audited financial Statements of the Company for the financial year ended 31st March 2017 together with the Report of the Board of Directors and the Auditors thereon.
2. To consider and if thought fit, to pass, the following resolution as ordinary resolution :
"RESOLVED THAT the appointment of Mrs. K. Indumathi, Chartered Accountant, Trichy having Membership Number 222189 allotted by The Institute of Chartered Accountants of India, as Statutory Auditor of the Company to hold office, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, as recommended by the Audit Committee and approved by the Board of Directors of the Company, in terms of Section 139, 141 and 142 read with Audit and Auditors Rules, 2014, on such remuneration as may be decided by the Board of Directors of the Company in addition to Service Tax, travelling and out of pocket expenses be and is hereby ratified.

By the order of the Board.

Place : Salem.

Date : 14.08.2017

Ms. Jeyanthei Narayanasami
Director.

(DIN 07143462)

Notes:

1. There are no special business. No directors are seeking appointment/reappointment, as the Board is comprised of a Whole Time Director and Independent Directors who have been appointed for a term of 5 years in AGM 2016.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The instrument appointing the proxy and the power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of the power or other authority with the Registered Office at least 48 hours before the meeting.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 22nd September, 2017 to 30th September, 2017 (both days inclusive).
4. Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.

MEMORANDUM OF INTEREST

None of the director of the Company is concerned or interested in the resolutions.

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

- (i) The voting period begins on 26th September, 2017 at 10 a.m. and ends on 28th September, 2017 at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric "PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (ODB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be

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also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Sri Malini Spinning Mills Limited, on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By the order of the Board.

Place : Salem.
Date : 14.08.2017

Ms. Jeyanthei Narayanasami
Director.

(DIN 07143462)



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DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2016-2017

To,
The Members

Your Directors have pleasure in presenting their TWENTY SEVENTH Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

1. Financial highlights for the year ended March 31, 2016

PARTICULARS	2016-2017 Rs.	2015-2016 Rs.
Sales including other income	100	100
Profit / Loss before interest and Depreciation	(1146739)	(1408017)
Financial Cost	---	---
Depreciation	---	---
Prior Period Adjustments	---	---
Profit / Loss before Taxation	(1143739)	(1408017)
Deferred Tax	---	---
Add : Loss brought forward from the Previous Year	(137126553)	(135718536)
Net Loss carried to Balance Sheet	(138270292)	(137126553)

2. DIVIDEND :

In view of the carry forward losses, of the company, your Board has not recommended dividend for the financial year 2016-17.

3. RESERVES

The Company has not transferred any amount to General reserve during the year.

4. REVIEW OF OPERATIONS AND FUTURE OUTLOOK :

During the period under review the company incurred a net loss of Rs.1143739. The only Revenue to the Company is by way of Interest Received on Electricity Deposit.

5. Statement in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. There are no operations in the company except the transactions relevant to the maintenance of statutory compliances.



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6. Disclosure of particulars of loans/advances/investments outstanding during the financial as per Clause 32 of Equity Listing Agreement

The Company has not given any loans and advances to other body corporate and associates as specified under Section 186 of the Companies Act, 2013.

7. Deposits

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

8. Statutory Auditors

The cooling period of 3 years provided by the Companies Act 2013 for the re-appointment of existing Statutory Auditors is elapsing with this AGM 2017 for the existing Auditory CAL Narayanan, Chartered Accountant, (ICAI Registration No 202175) and hence Mrs K. Indumathi, Chartered Accountant, (ICAI Registration No 222189) is recommended by the Board of Directors to be appointed as the Statutory Auditor of the Company for the FY 2018.

9. The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals that may have an impact for the company as a going concern and /or company's operations.

10. Closure of Register of Members and Share Transfer Books

The Register of Members and Share Transfer Books of the company will be closed with effect from 22nd September 2017 to 30th September 2017 (both days inclusive).

11. The Board observed that there are no qualifications or reservations or adverse remarks by the Statutory Auditors.

12. Share Capital

The Company has not issued any equity shares with differential rights, sweat equity shares, employee stock options or employee stock purchase scheme. No shares have been transferred to Suspense account in terms of Clauses 5(A)(I)(g) and 5(A)(II)(h) of the Equity Listing Agreement. As at the end of the financial year the Company's Equity Share Capital stands at Rs 63187650 with the constitution as mentioned in Schedule 1 of the Balance Sheet.

13. Corporate Governance

Your Company has been complying with the provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. A separate report on Corporate Governance along with Practicing Company Secretary's certificate on compliance of the Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement and Management Discussion & Analysis forming part of this report are provided elsewhere in this Annual Report.



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14. Transfer to Investor Education and Protection Fund

As required under the provisions of Section 205A and 205C and other applicable provisions of Companies Act, 1956 (the corresponding provisions in the Companies Act, 2013 have not been notified, and hence the earlier law is still applicable in respect of these provisions), dividends that remain unpaid/unclaimed for a period of seven years, are to be transferred to the account administered by the Central Government viz., Investor Education and Protection Fund ("IEPF"). There are no amounts which remain unpaid/unclaimed for a period of seven years and hence no amount has been transferred to "IEPF".

15. Extract of the Annual Return

The extract of Annual Return as on the Financial Year ended 31st March 2017, as prescribed under Section 92 read with Rule 12 of Companies (Management and Administration) Rules, 2014 is attached to this report as **Annexure 1**.

16. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The particulars required to be given as per Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are under

i. Conservation of energy-

There are no operations consuming energy.

ii. Technology absorption-

There are no operations attracting technology absorption.

iii. Foreign Exchange Earnings and Outgo:

Sl.No.	Particulars	2016-17	2015-16
1.	Foreign Exchange Earned	NIL	NIL
2.	Foreign Exchange outgo	NIL	NIL

17. Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a new initiative brought in by the Ministry of Company Affairs whereby every company having net worth of rupees 500 crore or more, or turnover of rupees 1000 crore or more or a net profit of rupees 5 crore or more during any financial year are mandated to serve society by contributing at least 2% of average net profits of the Company during three immediately preceding financial year's profit in various CSR activities as defined in Schedule VII of the Companies Act 2013.

Your Company does not fall in any of the above categories and hence CSR rule is not applicable to the Company.

18. Particulars of Employees

No employee of the Company was in receipt of remuneration during the financial year 2015-16 in excess of the sum prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



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19. Directors and Key Managerial Personnel

Mr. S. Boopalan, Mr. S. Rajendran and Mr. R. Lakshminarayanan have resigned from the Board owing to their personal commitments with effect from 13th August, 2016, though there was no change in the status quo during FY 2017, except the appointment of a Whole Time Director and One Independent Director. The Board records its due appreciations for the out-gone directors for their contributions and support to the company during their tenure.

The details about the changes in the Directors and Key Managerial Personnel by way of appointment, resignation, etc. and Disclosure of relationships between directors inter-se under Clause 49 VIII E 2 of Equity Listing Agreement is included as a part of Corporate Governance Report.

None of the Directors are liable to retire by rotation and the status of their appointment are suitably included in the Notice of AGM.

The Statement of Declarations from Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act 2013, has been obtained from the Independent Directors and the Board has taken on record the same.

The Company is making continuous efforts to identify a Company Secretary.

As on 30th May 2016 and 20th July, 2016 a Whole Time Director and an Independent Director respectively, have been appointed by the Company.

20. Declaration given by Independent Directors

All the Independent Directors of the Company have given their declaration under Section 149 (6) of the Companies Act 2013, confirming that they are in compliance with the criteria as laid down in the above said Section for being an Independent Director of the Company. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

21. Policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a director

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for the selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

22. Particulars of contracts or arrangements with related parties

During the financial year 2016-17 there are no contracts and arrangements entered by the Company with related parties. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

23. Risk Management Policy

There are no operations in the company attracting Risk Management.



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24. Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CS S Anuradha (CP 4122), Practicing Company Secretary, Salem as the Secretarial Auditor of the Company in the Board Meeting held on 14th August 2017. The Secretarial Report issued by on Company's Secretarial Auditor is annexed and forms part of this Report as **Annexure**.

25. Number of meetings of Board

The detail of number of meetings of Board of Directors is included as a part of Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

26. Composition of Audit Committee

The Audit Committee of the Company has been re-constituted on 20th July, 2016 in accordance with the provisions of Section 177 of Companies Act, 2013 read with Clause 49 of the Listing Agreements with the Stock Exchange. The details of the Audit Committee are included as a part of Corporate Governance Report.

27. Details of establishment of vigil mechanism

The Company has formulated and adopted a vigil mechanism for employees to report genuine concerns to the Chairman of the Audit Committee. The policy provides opportunities for employees to access in good faith, the Audit Committee, if they observe unethical and improper practices. The Whistle Blower policy of the Company is available in the website of the Company.

28. Board Evaluation

Pursuant to the provisions of the Companies Act 2013 and Listing Agreement, the Board of Directors of the Company has completed a formal evaluation of their performance and that of its Committees and individual directors.

The independent Directors evaluated the performance of the Executive Director at a meeting of Independent Directors held on March 25th, 2017. The Board of Directors in their meeting held on May 29, 2017 evaluated the Independent Directors individually. Directors were evaluated on various criteria including attendance, participation in Board Meetings and the willingness and commitment to devote the extensive time necessary to fulfil his/her duties.

29. Listing fees:

The Company confirms that it has paid the annual listing fees for the year 2016-17 to Bombay Stock Exchange Ltd.

30. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013:

There are no operations involving women during FY 2016-2017.