

# *34th Annual Report 2012 - 2013*

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**M A R I S**  
**SPINNERS**  
**LIMITED**





# 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 2811 59 10 / 12 / 18  
Fax : + 91 44 2811 15 13  
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.



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## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **THIRTY FOURTH ANNUAL GENERAL MEETING** of the members of the Company will be held on **Wednesday** the **18th** day of **September 2013** 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 2013** and the Profit and Loss Account for the year ended on that date and the Directors' Report and Auditors' Report thereon.
2. To declare a dividend.
3. To appoint a Director in the place of **Sri T.Jayaraman** who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of **Sri. S.Venkataramani** who retires by rotation and being eligible, offers himself for re-appointment.
5. 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.

By Order of the Board

Place: Chennai  
Date : 30.05.2013

**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 **12.09.2013 to 18.09.2013** ( 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.

# MARIS SPINNERS LIMITED

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5. Particulars of directors retiring by rotation;

Pursuant to Clause 49 of the listing Agreement with the stock exchange following information are furnished about the directors proposed to be re-appointed, vide item No.3 & 4 of notice dated 30.05.2013

S.No.	PARTICULARS	DIRECTOR	DIRECTOR
a	Name of the director	T. Jayaraman	S. Venkataramani
b	Date of birth	06.12.1956	05.10.1942
c	Date of appointment of the board as the director	15.06.1995	14.11.2005
d	Expertise in specific function areas	Business	Chartered Accountant
e	Qualification	Degree	ACA
f	Number of equity shares held in the company by the director or other persons on a beneficial basis	907425	NIL
g	List of outside directorships held in public companies	Nil	5

6. The company has declared dividend for the financial year 2010-11 and in respect of the said financial year Rs.285448 is the unclaimed dividend. The shareholders are requested to claim the amount. As no money is required to be transferred to Investor Education and Protection Fund under Section 205A of the Companies Act, since seven years have not been completed.



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

Dear Shareholders,

The Directors have pleasure in presenting the **Thirty Fourth Annual Report** on the business and operations of your Company, together with Audited Financial Statements for the year ended **31st March 2013**

### FINANCIAL RESULTS:

#### HIGHLIGHTS OF FINANCIAL RESULTS

	(Rs. In Lakh)	
	Year Ended 31.03.2013	Year Ended 31.03.2012
TURNOVER	10452.85	9273.57
Profit before Depreciation & Tax	1121.51	78.51
Less: Depreciation	<u>693.33</u>	<u>688.95</u>
Profit / Loss before Tax	428.18	(610.43)
Less: Provision for Taxation	<u>60.00</u>	<u>(115.30)</u>
Profit / Loss for the year	368.18	(495.13)

The turnover for the year 2012-13 is Rs.10452.85 lakh as against Rs. 9273.57 lakh during the previous year. The increase in turnover was mainly due to demand in domestic consumption and good rates for quality yarn.

#### DIVIDEND :

In view of the profits made during the year under review, the directors are recommending a dividend of 10%.

#### BUSINESS OPERATIONS :

Your company has been able to achieve a turnover of Rs.10452.85 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.

# MARIS SPINNERS LIMITED

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## **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.

## **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 T.Jayaraman and Sri. S.Venkataramani** 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.

## **CEO CERTIFICATION:**

Shri. 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 judgments 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 2013** 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 2013** have been prepared on a going concern basis.

**LISTING:**

As per the listing agreement, the shares of the Company are listed in Bombay Stock Exchange (BSE) and Madras Stock Exchange (MSE). The Company has taken necessary steps to resume trading.

**AUDITORS :**

The retiring Auditors **M/s. N.C.S. Raghavan & Co.**, Chartered Accountants, Bangalore, are being eligible for re-appointment.

**COST AUDITORS:**

M/s A Gopala Iyengar, Cost Accountant has been re-appointed as Cost Auditors of the company for the financial year 2013-14.

**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.

**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 : 30.05.2013

**ANANDKUMAR RENGASWAMY**  
Managing Director

**M. RENGASWAMY**  
Director



# MARIS SPINNERS LIMITED

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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 31.03.2013

### 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 – Nil

Outgo – Rs 59.19 Lakh

By Order of the Board

Place: Chennai

Date : 30.05.2013

**ANANDKUMAR RENGASWAMY**

Managing Director

**M. RENGASWAMY**

Director

## ADDENDUM

### REPLY TO AUDITORS QUALIFICATION

The Management has sent letters of confirmation to various parties nomenclated as Debtors and Creditors which represents trade receivables and trade payables and to parties from whom advances have been received and to whom advances have been given. We have received confirmation of balances from some of the parties while the others are yet to respond as on the date of this report. We however confirm that the balances of the parties in our books is in order and also confirm that we will be making continued efforts to obtain the confirmation of balances from the parties who have not responded.

With regard to the provision of Leave encashment, we wish to confirm that the leave encashment to the workers is provided in a year on year basis based on the calendar year as mandated under the Factories Act and that in the case of staff is provided on the basis of the financial year. This policy has been consistently followed by the company from the past several years and the differential amount to be provided towards the said liability of the workers to bring it in line with the financial year basis would be marginal.



**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:

<b>Executive Promoter Directors</b>	<b>4</b>
<b>Non-Executive Independent Directors</b>	<b>3</b>

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 six meetings of the Board of Directors were held viz., on 30th April 2012, 30th June 2012, 31st July 2012, 20th August 2012, 31st October 2012 and 31st January 2013.

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 21.09.2012	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	6	Yes	5	NONE
Sri. Anandkumar Rengaswamy	6	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	6	Yes	5	NONE
Sri. S.Srivatsan	4	Yes	NONE	NONE
Sri. Premal H.Udani	4	Yes	11	4

# MARIS SPINNERS LIMITED

## 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 six meetings of the Board of Directors were held viz., on 30th April 2012, 30th June 2012, 31st July 2012, 20th August 2012, 31st October 2012 and 31st January 2013 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	6	6
Sri. S.Srivatsan	6	4
Sri. Anandkumar Rengaswamy	6	6

### 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	6	6
Sri. S.Srivatsan	6	4
Sri. Anandkumar Rengaswamy	6	6



### 3. REMUNERATION COMMITTEE

The Board has constituted Remuneration Committee under the Chairmanship of Sri.S.Venkataramani (Non-Executive Independent Director), Sri. Srivastan, Sri. T. Jayaraman and other members to look after revision of remuneration etc., During the financial year no meetings were held.

Mr. C.Srinivasan, Accounts Manager is the Compliance Officer of the Company.

### iii. SHARE HOLDER INFORMATION

General Body Meeting

The details of the last three Annual General meetings held are as follows :

YEAR	DATE	TIME	VENUE
2010	30.09.2010	9.30 A.M	HOTEL MARIS 11, CATHEDRAL ROAD CHENNAI – 600 086
2011	30.09.2011	9.30 A.M	HOTEL MARIS 11, CATHEDRAL ROAD CHENNAI – 600 086
2012	21.09.2012	9.30 A M	HOTEL MARIS 11, CATHEDRAL ROAD CHENNAI – 600 086

No resolution was put through postal ballot during last year.

Special Resolutions with respect to the following were passed during the last three years: Nil

### iv. DISCLOSURES

- a. The company has followed the guidelines of the accounting standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- b. Transactions with the related parties have been included in the Notes to the Accounts of the company for the year ended 31st March 2013.
- c. The Board is of the bonafide belief that there are no materially significant related party transactions made by the company with its Promoters, Directors, or Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.
- d. During the last three years, there were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- e. The Company has not established a whistle blower policy. Presently the company does not have whistle blower policy.
- f. The company has generally complied with the mandatory disclosure requirements under Clause 49 of the Listing Agreement executed with the stock exchanges.

# MARIS SPINNERS LIMITED

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## Means of communication

- a) The company has been sending annual reports, notices and other communications to each household of shareholders.
- b) The quarterly reports in the prescribed format were published in the News Papers (News Today – English and Malai Sudar – Tamil) as required by the Listing Agreements with The Stock Exchange, Mumbai and The Madras Stock Exchange Ltd.
- c) The Company has a dedicated web site and is being updated periodically of latest information.
- d) There were no presentations made to institutional investors or analysts, during the year.

## GENERAL SHAREHOLDER INFORMATION

- a. Annual General Meeting
  - Date & Time : Wednesday, 18th September 2013, 9.30. am.
  - Venue : Hotel Maris  
1st Floor, 11 Cathedral Road, Chennai - 600086.
- b. Financial Year tentative calendar : 1st April to 31st March of every year
  - Financial reporting for the quarter ending 30th June 2013 : July 2013
  - Financial reporting for the quarter ending 30th September 2013 : October 2013
  - Financial reporting for the quarter ending 31st December 2013 : January 2014
  - Financial reporting for the quarter ending 31st March 2014 : May 2014
- c. Date of Book Closure : 12.09.2013 to 18.09.2013 (both the days inclusive)
- d. Listing of Stock Exchanges : Bombay Stock Exchange, Mumbai and  
The Madras Stock Exchange Ltd.,  
The annual listing fees for the period 1st April 2013 to 31st March 2014 have been paid to Stock Exchanges.
- e. Depository cum Share Transfer Registrars : M/s.Cameo Corporate Services Ltd.,  
'Subramanian Building', V floor,  
No.1, Club House Road, Chennai - 600002  
Tel : 2846 03 90 Fax : 2846 01 29  
E-mail: investor@cameoindia.com
- f. Share Transfer System : Share transfer in physical form is normally effected within a period of 15 days of receipt of the documents, if found in order. The share transfer committee approves all share transfers. Letters are sent to the shareholders after transfer of shares in their names giving an option for dematerialization of shares of the physical shares. Physical shares are dematerialized and electronic credit is given to those shareholders, who opt for dematerializations and in respect of other shareholders, who have not opted for dematerialization, share certificates are dispatched by Registered Post.  
  
All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited ( NSDL ) and Central Depository Services ( India ) Limited ( CDSL ) within 15 days.



g. Distribution of shareholding as on March 31, 2013.

SL.NO.	CATEGORY	NO.OF HOLDERS	NO.OF SHARES	%OF SHARE HOLDING
1	001 – 100	30	2010	0.02
2	101 – 500	724	279875	3.42
3	501 – 1000	203	188138	2.30
4	1001 – 2000	66	105903	1.30
5	2001 – 3000	56	144295	1.77
6	3001 – 4000	4	15250	0.19
7	4001 – 5000	26	128639	1.57
8	5001 – 10000	38	355500	4.35
9	10001 AND ABOVE	33	6952750	85.08
	<b>Total</b>	<b>1180</b>	<b>8172360</b>	<b>100.00</b>

h. Category of Shareholding as on March 31, 2013

CATEGORY	NO OF SHAREHOLDERS	NO OF SHARES	% OF SHAREHOLDING
Resident – Ordinary	1142	1640348	20.08
Resident – HUF	3	2000	0.02
Corporate Body – Domestic	14	34151	0.42
Corporate Body – Group Company	3	350000	4.28
Corporate Body-Others	1	5000	0.06
Corporate Body-Margin account	1	1	0.00
Mutual Funds	1	600	0.01
Bank – Others	2	607500	7.43
Promoters	12	5283160	64.65
Person Act in concert	1	249600	3.05
<b>Total</b>	<b>1180</b>	<b>8172360</b>	<b>100.00</b>

- i. Dematerialization of shares and liquidity : The Company shares were dematerialized. As on 31st March 2013, **82.83%** of shares constituting the paid up Capital has been dematerialized.
- j. Demat ISIN Number : INE866D01010
- k. Plant Locations : **Unit – I** : Kattemalalavadi Village, Hunsur Taluk, Mysore District - 571 134 Karnataka  
**Unit – II** : Kulithalai Road, Manapparai Taluk, Trichy District - 621 306, Tamilnadu
- l. Products : 100% Cotton Yarn
- m. Address for correspondence : Shareholders correspondence should be addressed to our Registrar and share transfer Agents at the following address:  
**M/s.Cameo Corporate Services Limited**  
**Subramanian Building, V floor,**  
**No.1, Club House Road, Chennai - 600 002.**  
**Tel : 2846 03 90 Fax : 2846 01 29**  
**E-mail: investor@cameoindia.com**
- For investor complaints : **C. Srinivasan**  
Contact person : **Compliance Officer**  
**E Mail: investor@maris.co.in; Web: www.maris.co.in**

# MARIS SPINNERS LIMITED

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## INDEPENDENT AUDITORS' REPORT

*To the Members of*

*M/s MARIS SPINNERS LIMITED.*

### **Report on the Financial Statements**

We have audited the accompanying financial statements of *M/s MARIS SPINNERS LIMITED*, ('the Company') No 11, Cathedral Road, Chennai - 600 086 at 31st March 2013, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

The balances of trade receivables, trade payables, advances paid to trade creditors, advances received from customers are subject to confirmation as mentioned in Note No.1(H). The balances of such parties are subject to reconciliation of differences, if any.

The Management have sent letters of Confirmations to various parties who are classified as Sundry Debtors and Creditors and to parties from whom Trade advances have been received and to whom Trade advances are given.

Some of the Parties to whom such confirmation letters have been sent have responded pursuant to which their accounts have been reconciled. As all the Parties to whom the letters have been sent have not responded due to which their accounts could not be reconciled, the same cannot be treated as confirmed, although in the opinion of Management the balances of such Parties are in order.

As some of the parties to whom letters have been sent have not responded, their account balances could not be verified and to that extent, differences if any could not be ascertained.

With regard to the provision for Leave Encashment as mentioned in Note No.1 (A) (viii) B (iii), the Management has been consistently following the policy of accounting for the same on the basis of the calendar year with respect to the



liability of the workers and on the basis of the financial year with respect to the staff at both units which is strictly not in accordance with the requirement of Accounting Standard 15 issued by ICAI and the preparation of accounts on accrual basis.

The effect of not providing for the leave encashment on accrual basis based on the financial year for the workers is not material and cannot be quantified.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements, along with notes accompanying such statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

Or

2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 except for Accounting Standard 15 with regard to provision of liability towards leave encashment;
  - e) on the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For N.C.S. RAGHAVAN & CO.**  
CHARTERED ACCOUNTANTS  
(Firm Registration No.: 007335S)

**N.C. SUNDARA RAGHAVAN**  
PARTNER  
(Membership No. 5952)

Place : Bangalore  
Date : 30.05.2013



# MARIS SPINNERS LIMITED

## ANNEXURE TO AUDITORS' REPORT

*Statement of matters to be reported as specified in Paragraphs 4 and 5 of  
COMPANY'S (AUDITORS' REPORT) ORDER, 2003*

### PARA 4

- i. a. The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. According to the information and explanations given to us, physical verification of Fixed Assets have been carried out by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- c. As the Company has not disposed off substantial part of its fixed assets, reporting under Para 4(i)(c) of the Order does not arise.
- ii. a. As per the information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year.
- b. As per the information and explanation given to us and in our opinion, the procedures of physical verification of inventory followed by the management are reasonable and commensurate with the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory and as per the information and explanation given to us and based on our observation no material difference was noticed during the year.
- iii. 1. In respect of the loans secured or unsecured, granted or taken by the company to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956;
- a) The Company has granted/ received unsecured loan during the financial year to the following parties covered in the register to be maintained under section 301 of the Companies Act, 1956.

Sl.No	Name of the Party	Relationship	Balance as on 01.04.12 (Rs.)	Payment during the year (Rs.)	Receipt during the year	Balance as on 31.03.13 (Rs.)
1.	Sri. M. Rengaswamy	Director	28,10,000.00	NIL	NIL	28,10,000.00
2.	Sri. Anandkumar Rengaswamy	Director	25,70,000.00	NIL	NIL	25,70,000.00
3.	Maris Hotels & Theatres Pvt Ltd	Associate Concern	1,50,00,000.00	50,00,000.00	NIL	1,00,00,000.00
4.	Sri. T. Raghuraman	Director	1,64,48,000.00	3,28,12,000.00	1,63,64,000.00	NIL

- iv. There is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, with regard to the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us we have neither come across nor have we been informed of any continuing failure to correct weaknesses in the aforesaid internal control system.
- v. a. All the transactions that need to be entered into a register in pursuance of Section 301 of the Act have been entered.
- b. In our opinion the prices at which such transactions have been entered into are reasonable having regard to the prevailing market prices for such transactions.
- vi. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act 1956 and the rules framed thereunder, and hence reporting under Clause 4(vi) of the Order does not arise.
- vii. According to the information made available and explanation given to us and in our opinion, the Company's present internal audit system is commensurate with its size and nature of its business.



- viii. We have reviewed the books of accounts maintained by the Company pursuant to the Order made by the Central Government for the maintenance of Cost records under section 209(1) (d) of the Companies Act, 1956 and are of opinion that prima-facie the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. According to the books of accounts and other records as produced before us and examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, Income-tax, custom duty, cess and any other statutory dues except for marginal delays in a few cases except in the case of wealth tax where payment is yet to be made.
- x. The accumulated losses of the Company at the end of the financial year does not exceed 50% of its net worth. The company has not suffered cash losses during the present financial year but had suffered cash losses in the immediately preceding financial year.
- xi. According to the records made available to us, the Company has not defaulted in repayment of its dues to any financial institutions or banks and hence reporting under Clause 4(xi) does not arise
- xii. The Company has not granted loans and advances on the basis of the security by way of pledge of shares, debentures and other securities and hence reporting under Clause 4(xii) of the order does not arise.
- xiii. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to it, hence reporting under Clause 4(xiii) of the order does not arise.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments, hence reporting under Clause 4(xiv) of the order does not arise
- xv. According to the information made available and explanation given to us and in our opinion, the Company has not given any guarantee for loans taken by others from banks or financial institutions, and therefore reporting under Clause 4(xv) of the order does not arise.
- xvi. The Company has obtained term loans under the Textile Upgradation Fund scheme from the Indian Overseas Bank, Indian Bank and Karur Vysya Bank. On the basis of review of utilization of funds pertaining to the term loans on an overall basis and related information made available to us, the term loans taken by the Company have been primarily applied for the purposes for which they were obtained.
- xvii. According to the information made available and records produced before us and in our opinion, the Company has used the short-term funds obtained by it primarily only for the purpose of meeting its working capital requirements. However it is not possible to ascertain with reasonable accuracy as to whether such short-term funds were also used for long-term purposes.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act. Hence reporting under Clause 4(xviii) of the order does not arise.
- xix. The Company has not issued any debentures and hence reporting under Clause (xix) of the order does not arise.
- xx. The Company has not raised any money by way of public issue during the financial year under reporting and hence reporting under Clause 4(xx) does not arise.
- xxi. According to the information made available to us and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For N.C.S. RAGHAVAN & CO.**  
CHARTERED ACCOUNTANTS  
(Firm Registration No.: 007335S)

**N.C. SUNDARA RAGHAVAN**  
PARTNER  
(Membership No. 5952)

Place : Bangalore  
Date : 30.05.2013

# MARIS SPINNERS LIMITED

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## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

### CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The members of Maris Spinners Ltd,

We have examined all the records of M/s Maris Spinners Limited for the year ended 31.03.2013 as stipulated in clause 49 of the listing agreement of the said company, with the stock exchanges. We have obtained all the information and explanations which to the best knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate governance is the responsibility of management. Our examination was limited to the procedure and implementation thereof. The certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement.

For N SRIDHARAN AND ASSOCIATES

Place : Chennai  
Date : 30.05.2013

**N. SRIDHARAN**  
Company Secretary



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## CEO CERTIFICATION

To the Board of Directors of Maris Spinners Limited

In compliance with Clause 49(v) of the Listing Agreement and with the Stock Exchanges we hereby certify that;

- a. I have reviewed financial statements and cash flow statements for the year ended 31st March 2013 and that to the best of my knowledge and belief;
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations and
- b. There are , to the best of my knowledge and belief, no transactions entered into by the company during the year 2012-13 , which are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control system of the Company and I have not observed any deficiencies in the design or operation of the internal controls.
- d. I have indicated to the auditors and the audit committee that there are ;
  - i. No significant change in controls during the year
  - ii. No significant changes in the accounting policies during the year
  - iii. No instances of significant fraud where the involvement of the management or and employee having a significant role in the Company's internal control systems have been observed.

Place : Chennai  
Date : 30.05.2013

**ANANDKUMAR RENGASWAMY**  
Managing Director

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## CODE OF CONDUCT – DECLARATION UNDER CLAUSE 49(I) (D)

This to certify that:

- (i) In pursuance of the provisions of Clause 49(i) (d) of the listing agreement with stock exchanges, a code of conduct for the board members and the senior management personnel of the Company have been approved by the Board in it meeting held on 31.01.2006.
- (ii) The said Code of Conduct have been circulated to the Board of Members and Senior Management Personnel of the Company.
- (iii) All the Board Members and Senior Management Personnel have affirmed compliance with the said code of conduct for the period ended 31st March 2013.

By Order of the Board

Place : Chennai  
Date : 30.05.2013

**ANANDKUMAR RENGASWAMY**  
Managing Director

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# MARIS SPINNERS LIMITED

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## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry conditions and Review of operations

The price of cotton was more or less stable during the financial year 2012-13 and the demand for cotton yarn was also very good. In spite of power disturbance, increase of power cost and diesel cost, the company was able to achieve good results by maintaining consistency in quality of its products and focusing customer's requirements.

In the coming years, the company is planning to produce fancy yarn which is a value added product. The cotton prices are un-predictable and highly volatile. The cotton rates are already on the increasing trend and this may have an impact on our margins in the coming months.

### Company Outlook

The company expect the cotton price to remain stable as this is evident from the trend during the last quarter of the financial year 2012-13

Demand for yarn has also seen an increase and indicates a good year ahead as so the prices for yarn and the overall global economic outlook is good .

The company is making all efforts to reduce costs and rationalize operations to have a positive effect. The company expects to make profit during the current year.

### Opportunities and Risks

Stable cotton rates indicates real opportunity to the industry coupled with a good monsoon forecast.

Frequent change in government policies with regard to export of cotton and cotton yarn is major threat to the industry. The company strive to tap new markets and constantly upgrade the machines to produce quality yarn.

Financial performance with respect to operational performance

The turnover for the year 2012-13 is Rs.10452.85 lakh as against Rs. 9273.78 lakh during the previous year. The net profit after tax is Rs 368.18 lakh as against a loss Rs. 495.13 lakh during the previous year.

On behalf of the Board of Directors

Sd/

**ANANDKUMAR RENGASWAMY**

Managing Director

### Disclaimer

*Statement in the Management discussion and analysis report describing the Company's objectives , projections, estimates, expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results may however differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates. Changes in government regulations, tax laws and other statutes and other incidental factors. The company assumes not responsibility to publicly amend , modify or revise any forward looking statements on the basis of any subsequent developments information or events.*



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012	As at 31.03.2012
<b>Cash flow from Operating Activities</b>				
Net Profit before tax		428.18		(610.43)
<b>Adjustments for:</b>				
Depreciation	693.33		688.95	
Interest income	(83.21)		-	
Other Interest	(18.57)		(143.24)	
(Profit)/ loss on sale of Assets	3.84		(147.70)	
Financial Expenses	733.23		839.30	
		1,328.62		1,237.31
<b>Operating profit before working capital changes</b>	-	<b>1,756.80</b>	-	<b>626.88</b>
<b>Adjustments for:</b>				
Decrease/(Increase) in Trade Receivables	(397.61)		(193.08)	
Decrease/(Increase) in Other current assets	(17.59)		(101.30)	
Decrease/(Increase) in Inventories	(449.93)		2,288.02	
Increase/(Decrease) in Trade and other payable	389.87		(469.15)	
Increase/(Decrease) in Other Current Liabilities	625.17		(109.03)	
		149.90		1,415.46
Operating activities before tax		1,906.70		
Taxes paid		(25.40)		2,042.34
<b>Net Cash flow from Operating activities</b>		<b>1,881.30</b>		<b>2,042.34</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Fixed Assets	(218.30)		(408.54)	
Sale of Fixed Assets	5.10		195.13	
Capital WIP	(26.97)		-	
<b>Net Cash flow from Investing activities</b>		<b>(240.17)</b>		<b>(213.41)</b>
<b>Cash Flows from Financing Activities</b>				
Interest Subsidy Received	83.21		143.24	
Other Interest	18.57		-	
Increase/(Decrease) in Borrowings	(972.22)		(1,164.17)	
Financial Charges	(733.23)		(839.30)	
<b>Net Cash flow from Financing activities</b>		<b>(1,603.67)</b>		<b>(1,860.23)</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>37.47</b>		<b>(31.32)</b>
Cash and Cash Equivalents at the beginning of the year		89.23		120.55
Cash and Cash Equivalents at the end of the year		126.69		89.23

**AUDITORS' REPORT**

We have examined the attached Cash Flow Statement of M/s. MARIS SPINNERS LIMITED, CHENNAI for the year ended 31.03.2013. The Statement has been prepared by the company in accordance with the requirements of Clause 32 of Listing agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss account and Balance Sheet of the Company covered by our Report to the Members of the Company.

For **MARIS SPINNERS LIMITED**

**ANANDKUMAR RENGASWAMY**  
Managing Director

**M.RENGASWAMY**  
Director

Subject to our report of even date  
**For N.C.S.RAGHAVAN & CO.,**  
Chartered Accountants  
(Firm Registration No.: 007335S)  
**(N.C.SUNDARA RAGHAVAN)**  
Partner  
(Membership No. 5952)

Place : Chennai  
Date : 30.05.2013

# MARIS SPINNERS LIMITED

## FORM A (See Rule 2) FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

S/N	PARTICULARS	UNIT I	UNIT II	CONSOLIDATED	
		31.03.2013	31.03.2013	31.03.2013	31.03.2012
<b>A Power and Fuel Consumption</b>					
1.	Electricity				
a.	Purchased				
	Unit	13912250	5833815	19746065	20874215
	Total Amount – Rs.	75771371	33760034	109531405	104696192
	Rate per Unit	5.446	5.787	5.550	5.020
b.	Own Generation through Diesel Generator				
	Unit	499199	2568579	3067778	1127403
	Unit per litre Diesel	3.517	3.360	3.385	3.478
	Cost/Unit	12.915	14.280	14.058	12.454
2.	Coal	–	–	–	–
3.	Furnace Oil	–	–	–	–
4.	Others/ Internal Generation	–	–	–	–
<b>B Consumption per Unit of Production</b>					
	(Standard if any - Nil)	–	–	–	–
	Products (with) details unit	–	–	–	–
	Electricity	5.474	7.127	5.677	5.475
	Furnace Oil	–	–	–	–
	Coal	–	–	–	–
	Others	–	–	–	–

By Order of the Board

Place : Chennai  
Date : 30.05.2013

**ANANDKUMAR RENGASWAMY**  
Managing Director



## BALANCE SHEET AS AT 31ST MARCH, 2013

(Rs. in Lakhs)

PARTICULARS	NOTE NO.	As at 31st March 2013	As at 31st March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
1) Share Capital	2	801.71	801.71
2) Reserves and Surplus	3	409.93	134.92
<b>Non-current liabilities</b>			
1) Long Term Borrowings	4A	2,563.58	3,906.10
2) Other Non Current Liabilities	4B	27.60	107.70
<b>Current liabilities</b>			
1) Trade Payables	5	600.45	294.13
2) Short Term Borrowings	6	2,817.91	2,367.51
3) Other Current Liabilities	7	921.35	203.01
4) Short Term Provisions	8	410.78	221.00
5) Net Deferred Tax Liability		54.43	15.01
<b>Total</b>		<b>8,607.74</b>	<b>8,051.08</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>1) Fixed assets</b>			
Tangible Assets	9	3,859.79	4,343.76
2) Deffered Tax Asset		-	-
3) Capital Work in Progress		28.08	1.11
4) Long Term Loans & Advances	10	207.79	207.55
<b>Current assets</b>			
Inventories	11	2,459.82	2,009.89
Trade Receivables	12	1,419.93	1,036.55
Cash and Bank Balances	13	126.69	89.23
Short Term Loans and Advances	14	104.47	65.08
Other Current Assets	15	401.18	297.92
<b>Total</b>		<b>8,607.74</b>	<b>8,051.08</b>

Summary of significant accounting policies  
and other Notes to accounts

1  
2 to 25 Integral part of the financial statements

For **MARIS SPINNERS LIMITED**

**ANANDKUMAR RENGASWAMY**  
Managing Director

**M.RENGASWAMY**  
Director

Subject to our report of even date  
**For N.C.S.RAGHAVAN & CO.,**  
Chartered Accountants  
(Firm Registration No.: 007335S)

**(N.C.SUNDARA RAGHAVAN)**  
Partner  
(Membership No. 5952)

Place : Chennai  
Date : 30.05.2013



# MARIS SPINNERS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013

(Rs. in Lakhs)

PARTICULARS	NOTE NO.	UNIT I	UNIT II	Combined 31st March 2013	Combined 31st March 2012
Revenue from Operations	16	6,804.75	3,648.10	10,452.85	9,273.58
Other Income	17	311.75	4.36	316.12	504.98
<b>Total Revenue</b>		<b>7,116.50</b>	<b>3,652.46</b>	<b>10,768.97</b>	<b>9,778.55</b>
<b>Expenses:</b>					
Cost of materials consumed	18	3,765.70	1,780.29	5,545.99	5,804.63
Purchases of Stock-in-Trade					
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	31.91	177.31	209.21	789.06
Employee Benefit Expenses	20	409.09	152.70	561.79	437.46
Finance Cost	21	570.28	162.95	733.23	839.30
<b>Other Expenses</b>	22				
Direct Manufacturing Expenses		1,156.57	961.75	2,118.32	1,598.94
Administrative and Other Expenses		368.93	106.14	475.07	378.19
Depreciation and Amortisation Expenses	9	524.97	168.36	693.33	688.95
<b>Total Expenses</b>		<b>6,827.44</b>	<b>3,509.50</b>	<b>10,336.95</b>	<b>10,536.53</b>
<b>Profit before Exceptional and extraordinary items item and tax (III-IV)</b>		<b>289.06</b>	<b>142.96</b>	<b>432.02</b>	<b>(757.97)</b>
<b>Exceptional items</b>	23	<b>1.06</b>	<b>(4.90)</b>	<b>(3.84)</b>	<b>147.70</b>
<b>Profit before extraordinary items and tax (V-VI)</b>		<b>290.12</b>	<b>138.06</b>	<b>428.18</b>	<b>(610.27)</b>
<b>Less: Extraordinary Items</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>0.16</b>
<b>Profit before Tax</b>		<b>290.12</b>	<b>138.06</b>	<b>428.18</b>	<b>(610.43)</b>
<b>Less: Tax expense</b>					
Short Provisions for earlier years		-	14.70	14.70	-
Current Tax		62.80	28.74	91.54	131.46
Less: MAT Credit Entitlement		(58.05)	(27.62)	(85.67)	
Deferred Tax		(4.50)	43.93	39.43	(246.76)
<b>Profit (Loss) for the Period</b>		<b>289.87</b>	<b>78.31</b>	<b>368.18</b>	<b>(495.13)</b>
<b>Weighted Average Number of Shares</b>		<b>4,295,160</b>	<b>3,877,200</b>	<b>8,172,360</b>	<b>8,172,360</b>
<b>Earnings per Equity Share - Basic and Diluted (Rs.)</b>		<b>6.75</b>	<b>2.02</b>	<b>4.51</b>	<b>(6.06)</b>

Summary of significant accounting policies  
Other Notes to accounts

1 Integral part of the financial statements  
2 to 25

For MARIS SPINNERS LIMITED

ANANDKUMAR RENGASWAMY  
Managing Director

M.RENGASWAMY  
Director

Subject to our report of even date  
For N.C.S.RAGHAVAN & CO.,  
Chartered Accountants  
(Firm Registration No.: 007335S)

(N.C.SUNDARA RAGHAVAN)

Partner  
(Membership No. 5952)

Place : Chennai  
Date : 30.05.2013



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**Note – 1**

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013**

**A. SIGNIFICANT ACCOUNTING POLICIES:**

i. **Accounting Assumptions:**

These accounts have been prepared under the historical cost convention on the basis of a going concern.

ii. **Revenue Recognition:**

Revenues are recognized and expenses except for encashment of leave salary are accounted on their accrual and amounts determined as payable or receivable during the year except those with significant uncertainties and are accounted in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in India and the provisions of the Indian Companies Act, 1956.

iii. **Use of Estimates**

The preparation of financial statements requires the management of the company to make the estimates and assumptions that affect the reported balance of the assets & liabilities and reported amount of income and expenses during the year. Examples of these estimates include provision for doubtful debts, provision for tax etc.

iv. **Fixed Assets:**

Fixed Assets include all expenditure of Capital nature and are stated at cost of acquisition, installation and commissioning expenses, less Depreciation. Fixed Assets values are stated at historical cost.

v. **Depreciation:**

Depreciation on Fixed Assets existing as on 31st March 1993 have been provided on the reducing balance method as per the rates and method prescribed under Schedule XIV of Companies Act, 1956.

Depreciation has been provided on the straight-line method for all additions made to the Fixed Assets subsequent to 31st March 1993 as per the rates and method prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on assets whose individual cost does not exceed Rs.5,000/- has been provided at a rate of one hundred percent as prescribed under Schedule XIV of the Companies Act, 1956.

vi. **Foreign Currency Transactions:**

Transactions in foreign currency are accounted for at the exchange rates prevailing at the time of transaction. However, in case of transactions taking place through bank accounts maintained in foreign currency, the same are recorded at notional rates. Balances in such foreign currency accounts at the year end are converted at the prevailing exchange rates. Current assets and liabilities at the year end are restated at the prevailing exchange rates and the difference between the year end and the actual/notional rates is recognised as income or expense in the Accounts.

vii. **Impairment of Assets:**

At the end of each year, the company determines whether a provision should be made for impairment loss on Fixed Assets by considering the indications that an impairment loss may have occurred in accordance with AS-28 "Impairment of Assets" issued by the ICAI, where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed Assets is made for the difference.

viii. **Employee Benefits:**

A. **Employee Benefits:** The employee benefits payable only within 12 months of rendering services are classified as short-term employee benefits. Benefits such as Salaries, leave travel allowance, short term compensated absences etc. and the expected cost of bonus are recognized in the period in which the employee renders the related services.

# MARIS SPINNERS LIMITED

## B. Post Employment Benefits:

- i) Defined Contribution plans: The Company's contribution towards Provident fund scheme, Employee State Insurance scheme and Employee pension scheme are recognized during the period in which employee renders the related service.
- ii) Provision for Gratuity to employees: The Company has made a provision for the same as per the actuarial valuation done by Life Insurance Corporation and the same has been treated as period cost and charged to Profit and loss account accordingly.
- iii) The Management has been consistently following the policy of providing for leave encashment on the basis of the calendar year with respect to the liability of the workers and on the basis of the financial year with respect to the staff at both units which is strictly not in accordance with the requirement of Accounting Standard 15 as issued by ICAI which requires the said liability to be provided on accrual basis upto the end of the financial year. However, the effect of the differential on account of not providing the said liability on accrual basis as against cash basis is not material.

## ix. Provision for Taxation:

The company has made a provision for tax for the current year on the book profits of the company.

Deferred tax is recognized, subject to the consideration of prudence, in respect of deferred tax assets or liabilities, on prudence, in respect of deferred tax assets or liabilities, on timing differences, being the difference between taxable incomes and accounting incomes that originate in one period and are reversible in one or more subsequent periods.

## x. Earnings per Share:

Earning per Share is computed by dividing net income by the weighted average number of common stock outstanding during the period.

## xi. Current Assets:

Inventories are as certified by the Management and are valued as under:

Raw Cotton & Process Stock	At cost.
Yarn Stock	At cost or Net Realizable Value Whichever is Less.
Waste Cotton	Net Realizable Value

- xii. The company has opted for exemption from Excise Duty vide notification No. 30/2004-Central Excise dated 9th July, 2004 effective from 7th July, 2004 whereby the company is not liable to charge Excise Duty on sales made. The company has also accounted its purchases of excisable goods at gross (including duty) from the above said date whereby the company is not eligible to claim any credit of duty paid on inputs.

**B Quantitative particulars** are furnished separately as an *Annexure-I* to this report.

## C. Secured Loans

- i. Term loan of Rs.129.26 Lakhs from Indian Bank (*Previous Year Rs.203.12 Lakhs*) is secured by exclusive charge on the Plant & Machinery for which they have financed. Term loan of Rs. 2229.36 Lakhs (*Previous Year Rs.2576.91 Lakhs*) from Indian Overseas Bank is secured by exclusive charge on the Plant & Machinery for which they have financed and also secured against Land, Buildings and Plant & Machinery of Unit I (other than the assets charged exclusively to KVB & IOB) by means of an agreement ranking pari passu between them, The Karur Vysya Bank Ltd., and ICICI Bank Ltd.

In addition the term loan from Indian Overseas Bank and Indian Bank, is secured by personal guarantees of all the Promoter Directors.

- ii. Term Loan of Rs. 492.70 Lakhs from Karur Vysya Bank Ltd., (Previous year Rs.550.00 Lakhs) related to Unit II is secured by exclusive charge on current assets, book debts and movable property of the Company.



- iii. Cash credit facility to the extent of Rs.1888.63 Lakhs (*Previous Year Rs. 1790.06 Lakhs*) has been sanctioned from Indian Overseas Bank for Unit I. Rs.529.27 Lakhs (*Previous Year Rs.264.37 Lakhs*) sanctioned from The Karur Vysya Bank for Unit II are secured against Hypothecation and Pledge of Stocks, second charge on fixed assets of Unit II and collateral security of land belonging to the shareholders.
- D. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated as realizable in the ordinary course of the business. The provision for depreciation and all known liabilities are adequate.
- E. An amount of Rs. 18,98,770/- (Previous Year Rs. 15,76,735/-) has been provided in the Profit & Loss Account towards Bonus and Rs. 27,33,028/- (Previous Year Rs. 26,28,637/-) towards Exgratia payable.
- F. **Information Regarding Employees:**  
The company has no employees drawing remuneration in excess of Rs. 5,00,000/- per month or Rs. 60,00,000/- p.a, as specified under Section 217(2A) of the Companies Act, 1956.
- G. Financial overheads include interest on Term Loan amounting to Rs.167.70 Lakhs (Previous Year Rs. 99.87 Lakhs), Interest on Working Capital Loans amounting to Rs 293.27 Lakhs (Previous Year Rs.437.09 Lakhs), Interest on TUF Loan Rs. 235.99 Lakh (Previous Year 266.83 Laks) and interest on other loans of Rs.36.26 Lakh (Previous Year Rs.35.50 Lakhs).
- H. Confirmations of balance of Debtors and Creditors as well as advances given to and received from parties have not been received by as on the date of this report. The same are subject to such confirmations and reconciliations.
- I. **Disclosure With Regard To Micro enterprises and Small Scale Undertaking:**  
In view of insufficient information received from suppliers concerning their status as “Micro Enterprise”, “Small Enterprise” as defined under clause (h) & (m) of Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, disclosure of particulars regarding unpaid amounts to such suppliers could not be made in the accounts.  
In view of insufficient information received from suppliers concerning their status as Small Scale undertaking as defined under clause (j) of section 3 of the Industries (Development & Regulations) Act 1951, disclosure of particulars regarding unpaid amounts to such suppliers could not be made in the accounts.
- J. **Deferred Tax Liability/Asset :**  
During the year Deferred Tax Expense of Rs. 39,42,543/- has been provided for in Profit & Loss Account. The disclosure of the same is as follows:

Particulars	Amount (In Rupees)
Opening balance of Deferred Tax Liability	15,00,623.00
Less: Deferred Tax Expense for the Current Year	39,42,543.00
Deferred Tax Liability (As shown in the Balance Sheet)	54,43,167.00

- K. **Events occurring after the date of Balance Sheet:**  
There are no Material Events occurring after the date of Balance Sheet, which has been considered in the statement of accounts.
- L. **Remuneration to Statutory Auditors** debited to Profit & Loss Account:

Particulars	2012-13
Audit Fees	Rs. 80,000.00
Tax Audit Fees	Rs. 80,000.00
<b>Total</b>	<b>Rs. 1,60,000.00</b>

(The fee shown is excluding Service Tax)

# MARIS SPINNERS LIMITED

## M. RELATED PARTY DISCLOSURE:

The disclosure required to be made as per Accounting Standard – 18 “Related Party Disclosure” has been furnished separately as an *Annexure-II* to this report.

- N. Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year (81,72,360 Shares). The company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same.

Particulars	Current Year Rs.	Previous Year Rs.
Profit after Taxation	3,68,17,853.00	(4,95,12,750.00)
Profit attributable to ordinary shareholders	3,68,17,853.00	(4,95,12,750.00)
Weighted average Number of Equity Shares – Issued & Subscribed	81,72,360.00	81,72,360.00
Basic earning Per Share (Rest.)	4.51	(6.06)
Diluted Earning Per share (Rs.)	4.51	(6.06)

## O. Segment Reporting:

The Company Operates Two Units at Hunsur, **Karnataka** and Kulithalai Road, Manapparai, Trichy, **Tamil Nadu**. However, as the products manufactured by both the units are same and as the risks and rewards attached to the operations of both the units are not significantly different treating each unit as separate segment for purpose of applicability of Accounting Standard – 17 does not arise.

## P. Contingent Liability:

Provision is recognized when an enterprise has a present obligation as a result of past event and is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on Management estimates required to settle the obligation at the Balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimate.

- An amount of Rs.16,21,062/- has been raised by The Superintending Engineer, Tamil Nadu Electricity Board Trichy (Metro) Circle dated 23.02.2010 towards Excess Demand and Energy charges for the month of November & December’09. Against the above Demand the company has obtained a stay in the Madurai Bench of Madras High court by depositing an amount of Rs.4,05,266/- being 25% of the demanded amount and the company is confident of obtaining complete relief in the matter and hence no provision has been made in the books of account.
- An amount of Rs.8,02,455/- has been raised by The Superintending Engineer, Tamil Nadu Electricity Board Trichy (Metro) Circle dated 13.05.2010 towards Excess Demand and Energy charges for exceeding the demand quota and energy quota during the period November & December’08 to July 2009. The company has disputed the same before the Appellate Tribunal for Electricity (APTEL) New Delhi and the same has been decided in our favour the Electricity Department has gone an appeal to the Supreme Court and the matter is pending and the company is confident of obtaining complete relief in the matter and hence no provision has been made in the books of account.
- An amount of Rs.42,395/- towards difference in Stamp Duty for 14.78 acres Land purchased at Manapparai during 1995 has been claimed by The Special Deputy Collector (Stamps), which is still in dispute. The Management is confident that the differential stamp Duty is not payable and hence no provision has been made for the same.

Notes to the financial statement  
Note - 2 - Share capital

Particulars	Unit I		Unit II		Consolidated		Consolidated	
	As at 31st March 2013		As at 31st March 2013		As at 31st March 2013		As at 31st March 2012	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
<b>Authorised Share Capital</b>								
99,50,000 Equity shares of Rs. 10/- each	99,50,000	995.00			99,50,000	995.00	99,50,000	995.00
50,000 Preference Shares of Rs.10/- each	50,000	5.00			50,000	5.00	50,000	5.00
<b>Issued Share Capital</b>								
82,95,160 Equity Shares of Rs.10/- each	82,95,160	829.52			82,95,160	829.52	82,95,160	829.52
<b>Subscribed Share Capital</b>								
81,72,360 Equity Shares of Rs.10/- each	81,72,360	817.24			81,72,360	817.24	81,72,360	817.24
<b>Paid up Share Capital</b>								
4295160 Equity Shares of Rs. 10/- each	42,95,160	429.52			42,95,160	429.52	42,95,160	429.52
38,77,200 Equity Shares of Rs. 10/- each			38,77,200	387.72	38,77,200	387.72	38,77,200	387.72
<b>Less: Calls unpaid</b>				15.53		15.53		15.53
<b>Total</b>	<b>42,95,160</b>	<b>429.52</b>	<b>38,77,200</b>	<b>372.19</b>	<b>81,72,360</b>	<b>801.71</b>	<b>81,72,360</b>	<b>801.71</b>

# MARIS SPINNERS LIMITED

## 2.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

### Equity shares

(Rs. in Lakhs)

Particulars	31st March 2013		31st March 2012	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	81,72,360	801.71	81,72,360	801.71
Shares issued during the year	–	–	–	–
Shares bought back during the year	–	–	–	–
<b>Shares outstanding at the end of the year</b>	<b>81,72,360</b>	<b>801.71</b>	<b>81,72,360</b>	<b>801.71</b>

## 2.2 Details of shareholders' holding equity shares more than 5%

Particulars	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Anandkumar Rengaswamy HUF	7,90,360	9.67	7,90,360	9.67
M Rengaswamy	6,43,720	7.88	6,43,720	7.88
T Raghuraman	6,02,055	7.37	6,02,055	7.37
T Jayaraman HUF	4,58,900	5.62	4,58,900	5.62
T Jayaraman	4,48,525	5.49	4,48,525	5.49
T Raghuraman HUF	4,45,100	5.45	4,45,100	5.45

**2.3** “The Company has only one class of shares referred to as Equity shares having a par value of Rs. 10 each - Holder of Equity is entitled to one vote per share”

**2.4** “The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.”

**2.5** The Board of Directors have proposed to declare dividend for the year ended March 31, 2013.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.



Note - 3 - Reserves and surplus

(Rs. in Lakhs)

Particulars	Unit I	Unit II	Consolidated	Consolidated
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
<b>Central Subsidy</b>				
Balance at the beginning of the reporting period	15.00	–	15.00	15.00
Add: Current Year Transfer	–	–	–	–
<b>Balance at the closing of the reporting period</b>	<b>15.00</b>	<b>–</b>	<b>15.00</b>	<b>15.00</b>
<b>Generator Subsidy</b>				
Balance at the beginning of the reporting period	8.45	–	8.45	8.45
Add: Current Year Transfer	–	–	–	–
<b>Balance at the closing of the reporting period</b>	<b>8.45</b>	<b>–</b>	<b>8.45</b>	<b>8.45</b>
<b>Investment Allowance</b>				
Balance at the beginning of the reporting period	21.81	–	21.81	21.81
Add: Current Year Transfer	–	–	–	–
<b>Balance at the closing of the reporting period</b>	<b>21.81</b>	<b>–</b>	<b>21.81</b>	<b>21.81</b>
<b>Wind Mill Subsidy</b>				
Balance at the beginning of the reporting period	13.50	–	13.50	13.50
Add: Current Year Transfer	–	–	–	–
<b>Balance at the closing of the reporting period</b>	<b>13.50</b>	<b>–</b>	<b>13.50</b>	<b>13.50</b>
<b>Securities Premium Account</b>				
Balance at the beginning of the reporting period		387.72	387.72	387.72
Less: Premium due on 310600 shares at Rs.5/-		15.53	15.53	15.53
Add: Current Year Transfer		–	–	–
<b>Balance at the closing of the reporting period</b>		<b>372.19</b>	<b>372.19</b>	<b>372.19</b>
<b>Surplus/(Deficit) in the statement of profit and loss</b>				
Balance at the beginning of the reporting period	177.22	(473.24)	(296.02)	199.11
Add: Profit/(Loss) for the current year	289.87	78.31	368.18	(495.13)
Less: Utilised during the year /appropriations	–	–	–	–
Proposed Dividend	42.95	37.22	80.17	–
Dividend Distribution Tax	6.97	6.04	13.01	–
<b>Net surplus in the statement of profit and loss</b>	<b>417.17</b>	<b>(438.19)</b>	<b>(21.02)</b>	<b>(296.02)</b>
<b>Total of reserves and surplus</b>	<b>475.93</b>	<b>(66.00)</b>	<b>409.93</b>	<b>134.92</b>



# MARIS SPINNERS LIMITED

## Note - 4 - Long Term Borrowings

(Rs. in Lakhs)

Particulars	Unit I	Unit II	Consolidated	Consolidated
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
<b>Secured</b>				
<b>From Banks</b>				
<b>Indian Overseas Bank - TUF Loan - I</b> (Secured By Hypothecation of Machinery with exclusive charge) Terms of Repayment -84 Monthly Installments of Rs. 10.45 Lakhs	464.14	–	464.14	721.20
<b>Indian Overseas Bank - TUF Loan - II</b> (Secured By Hypothecation of Machinery with exclusive charge) Terms of Repayment - 84 Monthly Installments of Rs. 1.17 Lakhs	51.95	–	51.95	80.73
<b>Indian Overseas Bank TUF Loan III</b> (Secured By First Charge on Machineries purchased and pari-pasu charged on the building constructed) Terms of Repayment - 84 Monthly Installments of Rs. 12 Lakhs	738.77	–	738.77	1,000.00
<b>Indian Overseas Bank TL IV (Windmill)</b> (Secured By First Charge on Windmill Installed) Terms of Repayment - 96 Monthly Installments of Rs. 8.34 Lakhs	567.85	–	567.85	774.98
<b>Indian Bank -TUF Loan</b> (Secured By Hypothecation of Machinery with exclusive charge) Terms of Repayment - 46 Monthly Installments over a period of 4 years	53.82	–	53.82	203.12
<b>HDFC Car Loan</b> Secured By Hypothecation of Car Terms of Repayment - 60 Monthly Installments of Rs. 27022/-	10.27	–	10.27	13.51
<b>Karur Vysya Bank WCTL</b> Terms of Repayment - 48 monthly installments	–	343.75	343.75	550.00



(Rs. in Lakhs)

Particulars	Unit I	Unit II	Consolidated	Consolidated
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
<p><b>Terms of Repayment - Repayment on Demand Secured By-</b> Entire Current Assets, Book Debts and Moveable property situated at Company's factories or elsewhere.</p> <p>Pari Passu Second Charge on the land and buildings and other Fixed Assets of Unit 1 of the Company situated in the Factory at Mysore</p> <p>Pari Passu Charge on the Land and Building and Fixed Assets of Unit 11 of the Company situated at Manaparai, Tamilnadu</p>				
<p><b>From Other Parties</b> <b>B M W Financial Services P Ltd.,</b> (Secured By Vehicle) Terms of Repayment 48 Monthly Installments of Rs. 123833/-</p>	27.97	–	27.97	43.02
<p><b>Unsecured</b> Sri.M.Rengaswamy - Director Sri.R.Anandkumar - Director Sri.Raghuraman - Director Eternal Enterprises Pvt Ltd Maris Hotels and Theaters Pvt Ltd</p>	28.10 25.70 – – –	– – – 151.25 100.00	28.10 25.70 – 151.25 100.00	28.10 25.70 164.48 151.25 150.00
<b>Total of long term borrowings</b>	<b>1,968.58</b>	<b>595.00</b>	<b>2,563.58</b>	<b>3,906.10</b>

**Note - 4B - Other Non Current Liabilities**

Particulars	Unit I	Unit II	Consolidated	Consolidated
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
Duties and Taxes Sales Tax Deferral Scheme	–	27.60	27.60	107.70
<b>Total</b>	<b>–</b>	<b>27.60</b>	<b>27.60</b>	<b>107.70</b>

# MARIS SPINNERS LIMITED

## Note - 5 - Other Long Term Liabilities

(Rs. in Lakhs)

Particulars	Unit I	Unit II	Consolidated	Consolidated
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
<b>Trade payable</b>				
Trade payable	316.08	111.23	427.30	139.75
Other Creditors	141.07	32.08	173.15	154.38
<b>Total</b>	<b>457.15</b>	<b>143.31</b>	<b>600.45</b>	<b>294.13</b>

## Note - 6- Short Term Borrowings

Particulars	Unit I	Unit II	Consolidated	Consolidated
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
<b>Secured</b>				
<b>From Banks</b>				
<b>Bill Discounted - Local</b>				
(Secured By Accepted Hundies of reputed Companies)	-	-	-	12.03
<b>HDFC - Ford Fiesta</b>				
(Secured By Asset)	-	-	-	0.45
Terms of Repayment - 36 Monthly Installments of Rs.22709/-				
<b>Kotak Mahindra - Honda City</b>				
(Secured By Asset)	-	-	-	0.61
Terms of Repayment - 35 Monthly Installments of Rs. 22400/-				
<b>Unsecured</b>				
Century Flour Mills Ltd	200.00	-	200.00	300.00
Niharika Synthetics Trading P Ltd	200.00	-	200.00	-
<b>Bank O/D</b>				
Indian Overseas Bank, Chennai	1,883.32		1,883.32	1,790.06
Indian Overseas Bank, Mysore	5.32	-	5.32	
<b>K V B</b>				
<b>WCDL</b>				
Terms of Repayment - Repayment on Demand	-	330.00	330.00	242.00
<b>OCC</b>				
	-	199.28	199.28	22.37
<b>Secured by- stock of cotton , finished goods, WIP,</b>				
Entire Current Assets, Book Debts and Moveable property situated at Company'S factories or elsewhere.				
Pari Passu Second Charge on the land and buildings and other Fixed Assets of Unit 1 of the Company situated in the Factory at Mysore				
Pari Passu Charge on the Land and Building and Fixed Assets of Unit 11 of the Company situated at Manaparai, Tamilnadu				
<b>Total Short term borrowings</b>	<b>2,288.63</b>	<b>529.28</b>	<b>2,817.91</b>	<b>2,367.51</b>



**Note - 7 - Other Current Liability**

(Rs. in Lakhs)

Particulars	Unit I	Unit II	Consolidated	Consolidated
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
Advance Received from Customers	29.50	0.15	29.65	31.80
Duties and Taxes	8.50	102.28	110.79	136.46
<b>Other Current Liabilities</b>	–	–	–	15.99
Term Loan Repayment - payable within 12 months	457.46	148.96	606.41	–
Interest payable- Term Loan	24.62	5.86	30.48	–
Others	102.28	16.99	119.27	–
Payable To Employees	16.87	7.88	24.75	18.76
Branch Balances	106.77	(106.77)	–	–
<b>Total</b>	<b>746.01</b>	<b>175.34</b>	<b>921.35</b>	<b>203.01</b>

**Note - 8 - Short-term provisions**

Particulars	Unit I	Unit II	Consolidated	Consolidated
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
Provision for Scheme Batch Lumpsum Payable	–	13.06	13.06	11.26
Bonus for FY 2012-13	13.22	5.56	18.78	15.50
Provision for Income Tax 09-10	–	–	–	0.78
Provision for Income Tax 10-11	2.16	189.23	191.39	191.39
Provision for Income Tax 12-13	62.80	28.74	91.54	–
Provision for Wealth Tax 09-10	0.43	–	0.43	0.43
Provision for Wealth Tax 10-11	0.34	0.26	0.59	1.07
Provision for Wealth Tax 11-12	0.81	0.22	1.03	0.56
Provision for Wealth Tax 12-13	0.64	0.14	0.78	–
Dividend Payable	42.95	37.22	80.17	–
Dividend Distribution Tax Payable	6.97	6.04	13.01	–
<b>Total</b>	<b>130.31</b>	<b>280.47</b>	<b>410.78</b>	<b>221.00</b>

# MARIS SPINNERS LIMITED

**NOTE NO. 9  
STATEMENT OF FIXED ASSETS - (UNIT I) FORMING PART OF BALANCE SHEET**

Rs. in Lakhs

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK	
	COST AS ON 01.04.2012	ADDITIONS 2012-13	DELETIONS 2012-13	TOTAL COST 31.03.2013	AS ON 01.04.2012	WITHDRAWN 2012-13	FOR THE YEAR 2012-13	AS AT 31.03.2013	AS AT 31.03.2012
LAND	5.95	34.82	1.64	39.13	-	-	-	39.13	5.95
BUILDINGS	628.49	-	-	628.49	164.68	-	18.83	444.98	463.81
BOREWELL	1.35	0.41	-	1.77	0.82	-	0.06	0.88	0.53
PLANT & MACHINERY	4163.46	132.57	-	4296.03	2722.33	-	413.17	1160.54	1441.13
TRANSFORMER	30.02	-	-	30.02	15.30	-	1.48	13.23	14.72
ELECTRICAL INSTALLATION	322.87	28.17	-	351.04	99.46	-	14.41	237.17	223.42
TOOLS & EQUIPMENTS	40.40	11.34	-	51.74	11.57	-	1.98	38.19	28.83
OFFICE EQUIPMENTS	12.92	0.62	-	13.54	5.73	-	0.58	7.22	7.19
VEHICLES	168.03	4.97	-	173.00	54.98	-	15.70	102.32	113.05
FURNITURES & FIXTURES	21.71	0.05	-	21.75	9.83	-	1.14	10.79	11.88
COMPUTERS	22.33	1.94	-	25.27	22.75	-	0.13	2.40	0.58
WIND MILL	1088.88	-	-	1088.88	57.65	-	57.49	973.74	1031.23
<b>CURRENT YEAR</b>	<b>6507.41</b>	<b>214.89</b>	<b>1.64</b>	<b>6720.67</b>	<b>3165.00</b>	<b>-</b>	<b>524.97</b>	<b>3690.06</b>	<b>3342.32</b>

**NOTE NO. 9  
STATEMENT OF FIXED ASSETS - (UNIT II) FORMING PART OF BALANCE SHEET**

DESCRIPTION OF ASSETS	GROSS BLOCK						DEPRECIATION BLOCK				NET BLOCK	
	COST AS ON 01.04.2012	ADDITIONS 2012-13	DELETIONS 2012-13	TOTAL COST 31.03.2013	AS ON 01.04.2012	WITHDRAWN 2012-13	FOR THE YEAR 2012-13	AS AT 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012		
<b>a. TANGIBLE ASSETS</b>												
LAND	13.24	-	-	13.24	-	-	-	-	-	13.24	13.24	
BUILDINGS	559.88	-	-	559.88	271.98	18.70	-	290.68	269.20	287.90	287.90	
PLANT & MACHINERY	2,739.23	1.64	17.64	2,723.24	2,180.51	132.17	10.34	2,302.34	420.90	558.73	558.73	
COMPRESSOR	38.12	-	-	38.12	13.85	2.01	-	15.86	22.26	24.27	24.27	
FURNITURES & FIXTURES	4.62	-	-	4.62	4.13	0.15	-	4.28	0.35	0.49	0.49	
VEHICLES	55.11	-	-	55.11	15.49	4.87	-	20.36	34.75	39.62	39.62	
OFFICE EQUIPMENTS	211.09	-	-	211.09	135.54	10.03	-	145.57	65.52	75.55	75.55	
BOREWELL	0.46	1.50	-	1.96	0.21	0.09	-	0.29	1.67	0.26	0.26	
COMPUTERS	7.42	0.27	-	7.68	6.03	0.35	-	6.38	1.30	1.38	1.38	
Sub Total	3,629.17	3.41	17.64	3,614.94	2,627.73	168.36	10.34	2,785.75	829.18	1,001.44	1,001.44	
<b>b. INTANGIBLE ASSET</b>												
Software	-	-	-	-	-	-	-	-	-	-	-	
Sub Total	-	-	-	-	-	-	-	-	-	-	-	
<b>Grand total</b>	<b>3,629.17</b>	<b>3.41</b>	<b>17.64</b>	<b>3,614.94</b>	<b>2,627.73</b>	<b>168.36</b>	<b>10.34</b>	<b>2,785.75</b>	<b>829.18</b>	<b>1,001.44</b>	<b>1,001.44</b>	

# MARIS SPINNERS LIMITED

(Rs. in Lakhs)

Particulars	Unit I	Unit II	Consolidated	Consolidated
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
<b>Note - 10 - Long Term Loans and Advances</b>				
<b>DEPOSITS</b>				
Security Deposits considered good	39.39	55.76	95.15	110.05
	39.39	55.76	95.15	110.05
<b>LOANS &amp; ADVANCES</b>				
Unsecured, considered good unless otherwise stated				
Interest Subsidy Receivable Tuf Loan	107.53	–	107.53	88.04
Others	5.10	–	5.10	9.46
	112.63	–	112.63	97.50
<b>Total</b>	<b>152.03</b>	<b>55.76</b>	<b>207.79</b>	<b>207.55</b>
<b>Note - 11 - Inventories</b>				
Finished Goods	54.76	70.41	125.16	281.50
Raw Materials	1,903.12	172.46	2,075.57	1,397.71
Stock in Process	67.54	60.13	127.68	152.60
Stores & Spares	81.05	38.18	119.23	137.95
Waste Cotton	1.95	10.23	12.18	40.13
<b>Total</b>	<b>2,108.42</b>	<b>351.41</b>	<b>2,459.82</b>	<b>2,009.89</b>
<b>Note-12 - Trade Receivables</b>				
<b>Sundry Debtors</b>				
Outstanding for a period exceeding six months	12.37	–	12.37	12.37
Other Debtors	984.03	423.52	1,407.56	1,024.18
<b>Total</b>	<b>996.40</b>	<b>423.52</b>	<b>1,419.93</b>	<b>1,036.55</b>
<b>Note - 13 - Cash and Bank Balances</b>				
<b>Cash and cash equivalents</b>				
Balances with banks	48.87	0.93	49.81	25.65
Cash in hand	2.29	74.59	76.89	63.58
<b>Total</b>	<b>51.17</b>	<b>75.52</b>	<b>126.69</b>	<b>89.23</b>
<b>Note - 14 - Short Term Loans and Advances</b>				
<b>Security Deposits</b>				
Margin On Bill Discount	–	–	–	2.41
<b>Other Loans &amp; Advances (unsecured, considered good unless otherwise stated)</b>				
Loans & Advances	73.63	0.25	73.87	60.92
Advance Paid - Capital Goods	10.12	6.73	16.85	0.29
Advance Paid - Stores and Spares	13.43	0.31	13.74	1.45
<b>Total</b>	<b>97.18</b>	<b>7.29</b>	<b>104.47</b>	<b>65.08</b>



(Rs. in Lakhs)

Particulars	Unit I	Unit II	Consolidated	Consolidated
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
<b>Note - 15 Other Current Assets</b>				
Duties & Taxes	99.84	246.93	346.77	265.62
Prepaid Expenses	33.83	5.90	39.73	30.40
Others	14.67	–	14.67	1.90
<b>Total</b>	<b>148.34</b>	<b>252.84</b>	<b>401.18</b>	<b>297.92</b>
<b>Note - 16 - Revenue From Operation</b>				
<b>Income from Sales</b>				
<b>Sales Yarn</b>				
Consignment	–	–	–	32.10
Direct	6,573.17	3,368.11	9,941.28	8,783.16
Export	56.50	–	56.50	–
<b>Sales Others</b>				
Packing Sales	–	2.75	2.75	2.65
Waste Cotton Sales	165.96	271.04	437.01	443.99
Waste Yarn Sales	–	4.44	4.44	5.96
Scrap Sales	9.12	1.76	10.88	5.72
<b>Total</b>	<b>6,804.75</b>	<b>3,648.10</b>	<b>10,452.85</b>	<b>9,273.58</b>
<b>Note - 17 - Other Income</b>				
<b>Other Incomes</b>				
Income From Wind Generation	213.42	–	213.42	207.35
Interest Subsidy	83.18	–	83.18	94.56
Other income	15.16	4.36	19.52	203.07
<b>Total</b>	<b>311.75</b>	<b>4.36</b>	<b>316.12</b>	<b>504.98</b>

**Note - 18 - Cost of material consumed**

Particulars	As at 31st March 2013	As at 31st March 2013	Combined	As at 31st March 2012
<b>Materials Consumed</b>				
Opening Stock of Raw Material	1,274.23	123.48	1,397.71	2,922.56
Add: Purchase Cost of Raw Material	4,394.58	1,829.27	6,223.86	4,279.77
Less: Closing Stock of Raw Material	1,903.12	172.46	2,075.57	1,397.71
<b>Total</b>	<b>3,765.70</b>	<b>1,780.29</b>	<b>5,545.99</b>	<b>5,804.63</b>



# MARIS SPINNERS LIMITED

(Rs. in Lakhs)

Particulars	Unit I	Unit II	Consolidated	Consolidated
	As at 31st March 2013	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
<b>Note - 19 - Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</b>				
<b>CLOSING STOCK</b>				
Finished Goods	54.76	70.41	125.16	281.50
Work in Process	67.54	60.13	127.68	152.60
Waste Cotton	1.95	10.23	12.18	40.13
	<b>124.25</b>	<b>140.77</b>	<b>265.02</b>	<b>474.23</b>
<b>OPENING STOCK</b>				
Finished Goods	75.02	206.48	281.50	1,028.95
Work in Process	80.25	72.36	152.60	196.33
Waste Cotton	0.89	39.24	40.13	38.01
	<b>156.15</b>	<b>318.08</b>	<b>474.23</b>	<b>1,263.30</b>
<b>Total</b>	<b>(31.91)</b>	<b>(177.31)</b>	<b>(209.21)</b>	<b>(789.06)</b>
<b>Note - 20 - Employee benefit expenses</b>				
Salaries, wages and bonus	372.59	139.45	512.04	401.86
Staff welfare expenses	29.34	5.38	34.71	24.13
Other Expenses	7.17	7.88	15.04	11.47
<b>Total</b>	<b>409.09</b>	<b>152.70</b>	<b>561.79</b>	<b>437.46</b>
<b>Note - 21 - Finance Costs</b>				
Interest on Working Capital	243.22	50.05	293.27	437.10
Interest on Term Loan	91.07	76.63	167.70	99.88
Interest on TUF Loan	236.00	-	236.00	266.83
Interest on Unsecured loan	-	36.26	36.26	35.50
<b>Total</b>	<b>570.28</b>	<b>162.95</b>	<b>733.23</b>	<b>839.30</b>
<b>Note - 22 - Other Expenses</b>				
Direct Manufacturing Expenses	1,156.57	961.75	2,118.32	1,598.94
Administrative and Other Expenses	368.93	106.14	475.07	378.19
<b>Total</b>	<b>1,525.50</b>	<b>1,067.89</b>	<b>2,593.39</b>	<b>1,977.13</b>
<b>Note - 23 - Exceptional Items:</b>				
Profit/ (Loss) on Sale of Asset				
Windmill	-	-	-	146.93
Vehicle	-	-	-	(0.71)
Land	1.06	-	1.06	3.54
Compressor	-	-	-	(2.06)
Plant & Machinery	-	(4.90)	(4.90)	-
<b>Total</b>	<b>1.06</b>	<b>(4.90)</b>	<b>(3.84)</b>	<b>147.70</b>



- 
24. Dividend at the rate of 10% has been proposed by the Board during the financial year.
25. Previous year's figures have been regrouped and reclassified wherever necessary to confirm to the classification in terms of accounts drawn in accordance with the Revised Schedule VI and in the absence of specific requirement, Balance Sheet Abstract and General Profile of the Company are not furnished.

For and on behalf of the Board

**ANANDKUMAR RENGASWAMY**  
Managing Director

**M.RENGASWAMY**  
Director

Subject to our report of even date  
**For N.C.S.RAGHAVAN & CO.,**  
Chartered Accountants  
(Firm Registration No.: 007335S)  
**(N.C.SUNDARA RAGHAVAN)**  
Partner  
(Membership No. 5952)

Place : Chennai  
Date : 30.05.2013

# MARIS SPINNERS LIMITED

## QUANTITATIVE PARTICULARS FOR 2012-2013

### Annexure - I

S.No.	PARTICULARS	UNIT I	UNIT II	CONSOLIDATED	
		31.03.2013	31.03.2013	UNIT I & II 31.03.2013	UNIT I & II 31.03.2012
1	[a] Licensed Capacity - Spindles [Nos.]	28704	25000	53704	53704
	[b] Installed Capacity - Spindles [Nos.]	28704	17472	46176	46176
	[c] Production Cotton Yarn [Kgs.]	2632484.670	1178987.670	3811472.340	3803575.760
2	[a] Sale of Finished Goods [Kgs.]	2641499.670	1231018.780	3872518.450	4199303.120
	[b] Sale of Waste Cotton [Kgs.]	830813.350	507637.790	1338451.140	1333143.530
3	Purchase of Raw materials				
	[a] Cotton [Kgs.]	4286666.000	1710081.000	5996747.000	4070468.000
4	Raw materials Consumed				
	[a] Cotton [Kgs.]	3488551.000	1672606.960	5161157.960	5206120.300
5	Opening Stock				
	[a] Finished Goods - Yarn Mills [Kgs.]	31846.125	79135.600	110981.725	504709.085
	[b] Raw materials - Cotton [Kgs]	1100871.000	118675.220	1219546.220	2354799.150
	[c] Stock In Process [Kgs]	51072.000	40394.170	91466.170	91865.540
	[d] Waste Cotton [Kgs]	5910.300	56285.380	62195.680	58227.950
6	Closing Stock				
	[a] Finished Goods - Yarn at Mills [Kgs.]	22831.125	27104.490	49935.615	110981.725
	[b] Raw materials - Cotton [Kgs]	1905280.000	160681.220	2065961.220	1219546.220
	[c] Stock In Process [Kgs]	44778.000	35862.210	80640.210	91466.170
	[d] Waste Cotton [Kgs]	6499.200	16077.330	22576.530	62195.680
	Consumption of Raw materials				
	[a] Indigenous	100.00%	100.00%	100.00%	100.00%
	[b] Imported	0.00%	0.00%	0.00%	0.00%

Notes to Accounts  
Annexure 2

Name	Manner in which related	Nature of Transactions	Balance as on 01.04.2012 Rs.	Payment during the year Rs.	Receipt during the year Rs.	Balance as on 31.03.2013 Rs.
<b>Maris Hotels &amp; Theatres Pvt Ltd</b>	Associated Concern	Purchase of power, unsecured loan windmill maintenance	1,67,91,674	3,92,86,357	3,40,47,545	1,15,52,862
<b>Hotel Maris</b>	Associated Concern	Boarding and Lodging Expenses	–	76,319	76,319	–
<b>Maris Enterprises</b>	Associated Concern	Windmill Maintenance	645	3,885	4,530	–
<b>Maris Agro Products</b>	Associated Concern	Purchase of Stores items	3,600	–	11,760	15,360
<b>T. Raghuraman</b>	Director	Interest On Loan	–	19,13,839	19,13,839	–

# MARIS SPINNERS LIMITED

11, CATHEDRAL ROAD, CHENNAI - 600 086.

Dear Shareholders,

There is growing concern on the need to protect our environment around the world. **MARIS** is always taken the lead in its efforts to protect the environment with a focus on eco-sustainability in our operations. Taking this, we now propose to send the documents viz., Annual Report, Notice and other documents to you through electronic, paperless mode.

This is in line with the Green Initiative in Corporate Governance introduced by Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs permitting the Company's to send the soft copies of the Annual Reports, Notices etc., to all those shareholders who have registered their email addresses for the said purpose.

We request you to join us in this noble initiative and look forward to your consent for receiving communication through the electronic mode.

- a. For shares held in physical mode: Please fill in the enclosed form and mail it to us at investor@maris.co.in.
- b. For shares held in dematerialized mode: Please update your e-mail address with your Depository Participant, and also fill in the enclosed form and mail it to us.

The Annual Report of your Company would also be made available on the Company's website www.maris.co.in.

Further, you will be entitled to get a hard copy of the Annual Report of the Company, upon receipt of a requisition from you, as a member of the Company.

Thanking you,

Yours truly,

**For MARIS SPINNERS LIMITED**

**COMPLIANCE OFFICER**

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# MARIS SPINNERS LIMITED

11, CATHEDRAL ROAD, CHENNAI - 600 086.

Sirs,

Sub: Service of Annual Report, Notice and other documents in Electronic mode.

We/I hereby give our/my consent to receive the above mentioned documents through the electronic mode.

**Name of the sole/first shareholder**

\_\_\_\_\_

**DP ID and client ID/Folio No.**

\_\_\_\_\_

**E mail address**

\_\_\_\_\_

**Signature of sole/first shareholder**

\_\_\_\_\_

**Place :**

**Date :**





# MARIS SPINNERS LIMITED

## PROXY FORM

I / We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
being a member/members of **MARIS SPINNERS LIMITED** hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ as my/our proxy to vote for  
me/us on my/our behalf at the **THIRTY FOURTH ANNUAL GENERAL MEETING** of the Company to  
be held on **Wednesday, the 18th September 2013** at **Hotel Maris**, Ist Floor, Conference Hall,  
11, Cathedral Road, Chennai 600 086, at 9.30 am and at any adjournment thereof.

Re. 1.00  
Revenue  
Stamp

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2013.

**Note:** The Proxy form must be deposited at the Registered office of the Company at 11, Cathedral Road, Chennai-600 086, not later than forty-eight hours before the time for holding the meeting.

### MARIS SPINNERS LIMITED

Regd. Office: 11, Cathedral Road, Chennai – 600 086.

**34th Annual General Meeting at 9:30 a.m. on Wednesday, the 18th September 2013  
at Hotel Maris, Ist Floor, Conference Hall, 11, Cathedral Road, Chennai 600 086.**

### ADMISSION SLIP

Folio No.

Shares Held

Please tick whether Member / Jointholder / Proxy

Member's or Proxy's Signature

**Note:** Shareholder/Proxy must bring the Admission slip to the Meeting and hand it over at the entrance duly signed.

BOOK POST

To

*If undelivered, please return to :*

**MARIS SPINNERS LIMITED**

11, Cathedral Road, Chennai – 600 086.








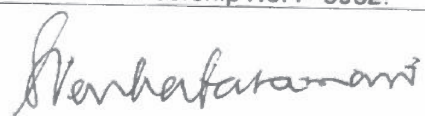
Tel : 91-44-2811 59 10/12  
Fax : 91-44-2811 15 13  
Mail : msl@vsnl.com

# MARIS SPINNERS LIMITED

FORM B

11, CATHEDRAL ROAD  
CHENNAI - 600 086.

AS PER AMENDED CLAUSE 31 OF EQUITY LISTING AGREEMENT

1	Name of the Company	Maris Spinners Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2013
3	Type of Audit Qualification	Confirmation of balance and Provision for Leave Encashment.
4	Frequency of qualification	Repetitive
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	Balance Confirmation and Provision for Leave Encashment Statement. Refer page no. 13 in the annual report.
6	Additional Comments from the Board/Audit Committee	Provision for Leave Encashment Refer page no. 7 in the annual report.
7	Signature  Managing Director	
	Auditor of the Company	 <b>N.C. SUNDARARAGHAVAN</b> B.Sc., B.L.F.C.A. CHARTERED ACCOUNTANT Membership No. F-5952.
	 Audit Committee Chairman	

MILLS Unit I : Kattemalavadi Village, Hunsur Taluk, Mysore District - 571 134.  
Telephone : 08222-252153 / 252947 Fax : 08222-252180

Unit II : Kulithalai Road, Manapparai, Trichy District - 621 306.  
Telephone : 04332-267201/267202 Fax : 04332-267203