SRI MALINI SPINNING MILLS LIMITED

27th ANNUAL REPORT
2016 - 2017

SMSM

SRI MALINI SPINNING MILLS LIMITED

ANNUAL REPORT 2016 - 2017

Board of Directors

Sri. K. Mohammad Yaseen

Ms. N. Jeyanthei

Mr. K. Ramasamy

Mr. C. Thyagarajan

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

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

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

Auditors

CA. L. Narayanan

Salem

Regd. Office & Factory

Trichy Main Road,

Sandhiyur,

Mallur (via),

Salem - 636 203.

CIN : L17111TZ1990PLC008370

Email id : srimalini2009@gmail.com

Website : www.maliniltd.com

SMSM

SRI MALINI SPINNING MILLS LIMITED

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

NOTICE :

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Company will be held on Saturday 30th September, 2017, at 9.00 a.m. at the Registered Office of the Company at Sandhiyur, Trichy Main Road, Mallur (Via), Salem-636 203, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited financial Statements of the Company for the financial year ended 31st March 2017 together with the Report of the Board of Directors and the Auditors thereon.
2. To consider and if thought fit, to pass, the following resolution as ordinary resolution :

"RESOLVED THAT the appointment of Mrs. K. Indumathi, Chartered Accountant, Trichy having Membership Number 222189 allotted by The Institute of Chartered Accountants of India, as Statutory Auditor of the Company to hold office, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, as recommended by the Audit Committee and approved by the Board of Directors of the Company, in terms of Section 139, 141 and 142 read with Audit and Auditors Rules, 2014, on such remuneration as may be decided by the Board of Directors of the Company in addition to Service Tax, travelling and out of pocket expenses be and is hereby ratified.

By the order of the Board.

Place : Salem.
Date : 14.08.2017

Ms. Jeyanthei Narayanasami
Director.
(DIN 07143462)

Notes:

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

MEMORANDUM OF INTEREST

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

SMSM

SRI MALINI SPINNING MILLS LIMITED

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

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

(i) The voting period begins on 26th September, 2017 at 10 a.m. and ends on 28th September, 2017 at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric "PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (ODB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be

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

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Sri Malini Spinning Mills Limited, on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingdina.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By the order of the Board.

Place : Salem.
Date : 14.08.2017

Ms. Jeyanthei Narayanasami
Director.
(DIN 07143462)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2016-2017

To,

The Members

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

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

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

2. DIVIDEND :

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

3. RESERVES

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

4. REVIEW OF OPERATIONS AND FUTURE OUTLOOK :

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

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

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

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

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

7. Deposits

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

8. Statutory Auditors

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

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

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

10. Closure of Register of Members and Share Transfer Books

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

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

12. Share Capital

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

13. Corporate Governance

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

14. Transfer to Investor Education and Protection Fund

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

15. Extract of the Annual Return

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

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

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

i. Conservation of energy-

There are no operations consuming energy.

ii. Technology absorption-

There are no operations attracting technology absorption.

iii. Foreign Exchange Earnings and Outgo:

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

17. Corporate Social Responsibility

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

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

18. Particulars of Employees

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

19. Directors and Key Managerial Personnel

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

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

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

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

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

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

20. Declaration given by Independent Directors

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

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

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

22. Particulars of contracts or arrangements with related parties

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

23. Risk Management Policy

There are no operations in the company attracting Risk Management.

24. Secretarial Audit Report

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

25. Number of meetings of Board

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

26. Composition of Audit Committee

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

27. Details of establishment of vigil mechanism

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

28. Board Evaluation

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

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

29. Listing fees:

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

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

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

31. Directors' Responsibility Statement as required under Section 134 (5) of the Companies Act, 2013

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

(ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that 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 and of the profit and loss of the company for that period

(iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities

(iv) the directors had prepared the annual accounts on a going concern basis; and

(v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(vi) the directors, had laid down internal financial controls and such internal financial controls are adequate and were operating effectively.

32. Material Changes And Commitments

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

33. Acknowledgements

We thank the various Government Agencies and Banks for their continued support and co-operation to the Company. We place on record our appreciation of the contribution made by our employees, consultants and officers of the Company during the year under report.

For and on behalf of the Board of Directors

Place : Salem.

Date : 14.08.2017

Smt. N. Jeyanthei

Director

(DIN 07143462)

Annexure 1

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS :

i	CIN	L17111TZ1990PLC008370
ii	Registration Date	12.10.1990
iii	Name of the Company	Sri Malini Spinning Mills Limited
iv	Category/Sub-category of the Company	Spinning Mills
v	Address of the Registered office & contact details	Sandhiyur, Mallur-via, Salem-636203
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Common Agency for e-voting	Cameo Corporate Services Ltd Subramanian Building, #1, Club House Road, Chennai 600 002.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl No.	Name & Description of main products/services	NIC Code of the Product/service	% of total turnover of the company
1	Spinning Mills	Spinning	Nil

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES - NIL

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF		3977900	3977900	70.06		3977900	3977900	70.06	
b) Central Govt.or State Govt.									
c) Bodies Corporates									
d) Bank/FI									
e) Any other									
SUB TOTAL:(A) (1)		**3977900**	**3977900**	**70.06**		**3977900**	**3977900**	**70.06**	
(2) Foreign									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other…									
SUB TOTAL (A) (2)									
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		**3977900**	**3977900**	**70.06**		**3977900**	**3977900**	**70.06**	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds		28800	28800	0.51		28800	28800	0.51	
b) Banks/FI									
C) Cenntral govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
SUB TOTAL (B)(1):		**28800**	**28800**	**0.51**		**28800**	**28800**	**0.51**	

(2) Non Institutions									
a) Bodies corporates		13650	13650	0.24		13650	13650	0.24	
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs		1657225	1657225	29.19		1657225	1657225	29.19	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs									
c) Qualified Foreign Investor									
d) Others (specify)									
Clearing Members									
HUF									
NRI									
SUB TOTAL (B)(2):		**1670875**	**1670875**	**29.43**		**1670875**	**1670875**	**29.43**	
Total Public Shareholding (B)= B)(1)+(B)(2)		**1699675**	**1699675**	**29.94**		**1699675**	**1699675**	**29.94**	
Shares Held By Custodians And Against Which Depository Receipts has been Issued									
Promoter and Promoter Group									-
Public									-
Total Custodian (C)									-
Grand Total (A+B+C)		**5677575**	**5677575**	**100**		**5677575**	**5677575**	**100**	**0**

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encum-bered to total shares	No of shares	% of total shares of the company	% of shares pledged encum-bered to total shares	
1	S Boopalan	**1376641**	24.25	---	**1376641**	24.25	---	---
2	S Rajendran	**1372592**	24.18	---	**1372592**	24.18	---	---
3	R Lakshmi Narayanan	**1228667**	21.63	---	**1228667**	21.63	---	---

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Shareholders Name	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	---	---	---	---
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	Nil	Nil	Nil	Nil
3	At the end of the year	---	---	---	---

(iv) Shareholding of Directors & KMP till 13.08.2016 (With effect from 13.08.2016 - NIL)

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Date	Increase / Decrease in share-holding during the year	specifying the reasons	Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company				No.of shares	% of total shares of the company
1	S Boopalan	1376641	24.25	---	---	---	1376641	24.25
2	S Rajendran	1372592	24.18		---	---	1372592	24.18
3	R Lakshmi Narayanan	1228667	21.63				1228667	21.63

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtness at the beginning of the financial year		45673509		45673509
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		45673509		45673509
Change in Indebtedness during the financial year				
Additions				
Reduction				
Net Change				

Indebtedness at the end of the financial year		45673509		45673509
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		**45673509**		45673509

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Whole time director:

Sl.No	Particulars of Remuneration	Name of the WTD-KSS PRAKKAASH		Total Amount
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	NIL		**NIL**
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	---		---
2	Stock option	---		---
3	Sweat Equity	---		---
4	Commission as % of profit	---		---
5	Others, please specify	---		---
Total (A)		NIL		**NIL**

B. Remuneration to other directors: NIL

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN DIRECTORS

Sl. No.	CFO	Amount of Remuneration	Ratio of the remuneration of director to the median employee remuneration
1	KSS PRAKKAASH	Rs.3,00,000/- P.A	NA

C.

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY - NIL					
Penalty	Nil				
Punishment					
Compounding					
B. DIRECTORS - NIL					
Penalty	Nil				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT - NIL					
Penalty	Nil				
Punishment					
Compounding					

Annexure 2

Form No AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Details of Related Party Transactions

1. Details of contracts or arrangements or transactions not at Arm's length basis: None
2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrange-ments/ transaction	Duration of the contracts/ arrange-ments/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
	NIL					

Annexure 3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,
M/s SRI MALINI SPINNING MILLS LIMITED
Sandhiyur, Trichy Main Road,
Mallur (Via),
Salem-636 203

I have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. **SRI MALINI SPINNING MILLS LIMITED (CIN: L17111TZ1990PLC008370)** (hereinafter called "the Company").

The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliance and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process and compliance- mechanism in place to the extent, in the manner and subject to the reporting

made hereinafter I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. **SRI MALINI SPINNING MILLS LIMITED** (the Company) for the financial year ended on March 31, 2017 according to the applicable provisions of :

i) The Companies Act, 2013 (the Act) and the rules made thereunder.

ii) The Securities contracts (Regulation Act, 1956 ('SCRA') and the rules made thereunder. The company has not issued any securities during the year under review. Hence this provision is not applicable to this company.

iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder. ***The Company has not dematerialized any of its equity shares***.

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; There is no inward and outward remittance of Foreign currency. Hence FEMA Act, is not applicable.

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

a) The securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***The Company has not made its yearly disclosure as required by SEBI with regard to Substantial Acquisition of Shares and Takeovers.***

b) The securities and Exchange board of India (Prohibition of Insider Trading Regulations, 1992; **the *company has published only the following details in the website :***

a) Auditors Report

b) IT Financials

c) Scrutinizers Report for BSE

d) Notice-Board Meeting

e) Quarterly results

c) The securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; The company has not issued any security during the year. Hence it is not applicable to this company.

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

The company has not issued any share under Employee Stock Option Scheme and Employee Stock Purchase Scheme. Hence this regulation is not applicable to this company.

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; The Company does not have debt securities. Hence this is not applicable to this company.

f) The securities and Exchange Board of India (Registrars to and issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client.

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; The company has not delisted their securities. Hence this provision is not applicable to this company

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; The company has not bought back the shares. Hence this provision is not applicable to this company.

I have examined compliance with the applicable clauses of the following :

i) The Company has maintained minutes according to the Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) ***The Listing Agreement was entered into by the Company with BSE and ASE, but the trading in BSE has been suspended for penal reasons.***

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I FURTHER REPORT THAT having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the company could not comply with the laws applicable specifically to the company as the company is not carrying out any operation.

I FURTHER REPORT THAT:

i) The Board of Directors of the Company is constituted with Non-Executive Directors and CFO. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

ii) The Company has not appointed a Whole time company Secretary under Section 203 of the Companies Act, 2013.

iii) The notice and agenda were given to all directors to the Board Meetings at least seven days before the meeting.

iv) A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.

v) ***Since there is no business operation in the company, there is no adequate system and process in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.***

vi) The Company has updated its website as mandated by SEBI with information related to financials of year 2016 along with the information mentioned in V(b) of this report.

vii) The Company has appointed Whole time Director under Section 203 of the Companies Act, 2013.

viii) ***The Company has submitted annual reports for the financial year ended 31/03/2017 but not in the prescribed Form A to SEBI.***

I FURTHER REPORT that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Salem
Date : 14.08.2017

Signature :
Name : **S.ANURADHA**
ACS : 14640
CP. No. : 4122

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The Company believes in adopting best practices of Corporate Governance. The Company ensures good governance through the implementation of effective policies and procedures, which is mandated and regularly reviewed by the Board or the committees of the members of the Board which endeavors to maintain transparency at all levels through adoption of best Corporate Governance Practices.

2. BOARD OF DIRECTORS :

Composition of the Board and directorships held as on 31st March 2017 :

Name of the Director	Category	No. of meetings attended	Attendance at last AGM held on 30.09.2016	No. of outside Directorship	No. of Chairmanship and Membership in other Committees of the Board	
					Chairman	Member
Mr. KSS Prakkaash (upto 17.8.2015) From 18.8.2015 as CFO	Executive Director	5	Present	Nil	Nil	Nil
Mr. K. Mohammad Yaseen	Independent Director	4	Present	2	Nil	Nil
Mr. S. Boopalan - till 13.8.2016	Independent Director	2	---	Nil	Nil	Nil
Mr. S.Rajendran - till 13.8.2016	Independent Director	2	---	Nil	Nil	Nil
Mr. R.Lakshmi Narayanan - till 13.8.2016	Independent Director	2	---	Nil	Nil	Nil
Ms. N. Jayanthi	Independent Director	5	Present	1	1	3
Mr. K. Ramasamy	Independent Director	5	Present	Nil	2	3
Mr. C. Thyagarajan - since 20.07.2016	Independent Director	3	Present	Nil	Nil	3

As required by Clause 49 of the Listing Agreement, the disclosure includes Membership/Chairmanship of the Audit Committee and Stakeholders Relationship Committee in Indian Public Companies.

The Total strength of the Board as on the date of the Report is - 4

DISCLOSURE OF INTER-SE RELATIONSHIP OF DIRECTORS UNDER CLAUSE 49 VIII E 2 :

NIL

DATES OF BOARD MEETINGS :

Board Meetings were held during the financial year 2016 – 2017 on the following dates –

Name / Date	30.05.2016	20.07.2016	13.08.2016	12.11.2016	13.02.2017
Mr.KSS.Prakkaash	Present	Present	NA	NA	NA
Mr.K. Mohammad Yaseen	NA	Present	Present	Present	Present
Mr.S.Boopalan	Present	Not Present	Present	NA	NA
Mr.S.Rajendran	Present	Not Present	Present	NA	NA
Mr.R.Lakshmi Narayanan	Present	Not Present	Present	NA	NA
Ms. N. Jayanthi	Present	Present	Present	Present	Present
Mr. K. Ramasamy	Present	Present	Present	Present	Present
Mr. C. Thyagarajan	NA	NA	Present	Present	Present

3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted on 20th July, 2016 in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 177 of the Companies Act, 2013

Currently the Audit Committee consists of the following Independent Directors –

Mr. K. Ramasamy	Chairman
Ms. N. Jeyanthei	Member
Mr. C. Thyagarajan	Member

During the financial year 2016 - 2017 the Audit Committee met as per the details given hereunder –

Name of the Director	Audit Committee Meetings			
	30.05.2016	13.08.2016	12.11.2016	13.02.2017
Mr.S.Boopalan	Present	NA	NA	NA
Mr.S.Rajendran	Present	NA	NA	NA
Mr.R.Lakshmi Narayanan	Present	NA	NA	NA
Mr.K.Ramasamy	NA	Present	Present	Present
Mr.N.Jeyanthei	NA	Present	Present	Present
Mr.C.Thyagarajan	NA	Present	Present	Present

The terms of reference of the Audit Committee are broadly as under

i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the company

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors

iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Qualifications in the draft audit report

v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval

vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter

vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process

viii. Approval or any subsequent modification of transactions of the company with related parties

ix. Scrutiny of inter-corporate loans and investments

x. Valuation of undertakings or assets of the company, wherever it is necessary

xi. Evaluation of internal financial controls and risk management systems

xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit

xiv. Discussion with internal auditors of any significant findings and follow up there on

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern

xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors

xviii. To review the functioning of the Whistle Blower mechanism

xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate

xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

4. NOMINATION AND REMUNERATION COMMITTEE

Since 20th July, 2016, the Nomination and Remuneration Committee was re-constituted as follows:

Mr. K. Ramasamy	Chairman
Ms. N. Jeyanthei	Member
Mr. C. Thyagarajan	Member

The earlier Nomination and Remuneration Committee met on 30th May, 2016 and 20th July, 2016 to discuss and approve the appointment of Mr. K. Mohammad Yaseen as the Whole Time Director and Mr.C.Thyagarajan as an Independent Director, of the Company, respectively. All the members of the Committee were present.

Brief description of terms of reference

The terms of reference of the Remuneration Committee are broadly as under:

I. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees

II. Formulation of criteria for evaluation of Independent Directors and the Board

III. Devising a policy on Board diversity

IV. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal

Remuneration policy

As required under Clause 49 (IVB) of the Listing Agreement and Section 178 (3) of the Companies Act, 2013 the Nomination and Remuneration Committee of the Company has formulated a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees.

Remuneration to the Whole time director

Sl.No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1.				
	Salary as per provisions contained in section 17(1) of the income Tax, 1961.			**1,20,000**
2.	Stock option			Nil
3.	Sweat Equity			Nil
4.	Commission as % of profit			Nil
5.	Others, please specify			Nil
Total (A)				**1,20,000**

B. Remuneration to other directors: NIL

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Since 20th July, 2016, the Stakeholders Relationship Committee is re-constituted as follows:

Ms. N. Jeyanthei	Chairman
Mr. K. Ramasamy	Member
Mr. C. Thyagarajan	Member

The Stakeholders Relationship Committee oversees redressal of Shareholders and investor complaints on matters such as transfer of shares, non-receipt of share certificates, and non-receipt of Annual Reports, ensures expeditious transfer of shares and issue of duplicate share certificates, and approves sub-division/consolidation/transmission of shares.

The total number of complaints received during the financial year 2016 - 2017 is categorized as under

Number of shareholders' complaints received during the year	Nil
Number of Complaints resolved during the year	Nil
Number of Complaints not resolved during the year	Nil
Number of Complaints pending as on March 31, 2017	Nil

Due to huge capital erosion the company has been denied the facilities of dematerialization. Share transfers are done in-house. M/s Cameo Corporate Services Limited, Subramanian Building, 1, Club House Road, Chennai - 600001 are the Common Agency facilitating e-voting.

The Share Transfer Committee meeting held during the financial year 2016-2017 ensured that all valid transfer deeds and transmission applications were acted upon and share certificates sent to the transferees promptly within 30 days of receipt of the Documents as required under the provisions of the Listing Agreement entered with Stock Exchange.

8. ANNUAL GENERAL MEETINGS

i. Location, date and time for the last three Annual General Meetings held :

YEAR	DATE	VENUE	TIME
2015-2016	30.09.2016	Sri Malini Spinning Mills Limited, Sandhiyur, Mallur Via, Salem-636 203.	9 AM
2014-2015	30.12.2015	Sri Malini Spinning Mills Limited, Sandhiyur, Mallur Via, Salem-636 203.	9 AM
2013-2014	30.12.2014	Sri Malini Spinning Mills Limited, Sandhiyur, Mallur Via, Salem.	9.30 AM

ii. Extraordinary General Meeting

No Extraordinary General Meeting of the members was held during the year.

iii. Postal Ballot

No Resolution has been passed through Postal Ballot during the year 2016-17

iv. Special Resolutions passed in the last three Annual General Meetings

26th Annual General Meeting held for the year 2015-16 on 30th September 2016

No Special Resolution was passed in the Meeting

25th Annual General Meeting was held for the year 2014-15 on 30th December 2015

No Special Resolution was passed in the Meeting

24th Annual General Meeting held for the year 2013-14 on 30th December 2014

No Special Resolution was passed in the Meeting

v. Whether any special resolution u/s 110 of the Companies Act 2013 proposed to be conducted through Postal ballot Nil

9. DISCLOSURES

A. RELATED-PARTY TRANSACTIONS

There have been no materially significant related-party transactions, pecuniary transactions or relationships between your Company and the Directors, the Management or related parties except for those disclosed in the financial statements for the year ended March 31, 2017.

B. DETAILS OF NON-COMPLIANCE

There has been no instance of non-compliance of any legal requirements except as indicated in the Secretarial Audit Report for FY 2017. Inspite of the existing non-operational conditions, the Company has made / is making, its fullest efforts to comply with the qualifications mentioned in the above cited report. Further, no strictures or penalties have been imposed by any Stock Exchange or Securities and Exchange Board of India (SEBI) or any statutory authority on any matter related to the capital markets during the last three years.

C. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has formulated adopted a Vigil Mechanism as per Section 177 of the Companies Act, 2013 and Revised Clause 49(IV) of the Listing Agreement and has established the necessary mechanism for employees to express to the management, their concerns and suggestions about the deficiencies in the systems and procedures or violation of any code of conduct or general ethics.

The detail of establishment of Whistle Blower Policy is posted in the Company's website.

D. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF THIS CLAUSE

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement including CEO/CFO certification. As required under Clause 49, a certificate signed by the CEO and CFO of the Company has been placed before the Board of Directors and the same has been provided elsewhere in this report.

E. Means of Communications

The company is publishing Unaudited quarterly /Audited annual results in English and Tamil Newspapers promptly besides mailing the same to the BSE Limited (BSE) where the shares of the company are at present listed, immediately after each of the Board Meetings in which resolutions for adopting the accounts are passed. Besides, such financial results are also published in the company's website.

In the following website of the company the Annual Report, shareholding pattern and other corporate information are published for the information of the shareholders – www.maliniltd.com

F. The Distribution pattern of the shareholdings as on 31.03.2017 is as follows –

The Distribution pattern of the shareholdings as on 31.03.2017 is as follows –

Pattern of Holding - No. of Shares	No. of Share holders	No. of Shares	% of Holding to Total No. of Shares
1 - 250	25580	1261400	22.22
251 - 500	285	108925	1.91
501 - 1000	83	56800	1.00
1001 - 2000	30	40975	0.72
2001 - 3000	5	12875	0.23
3001 - 4000	5	17600	0.31
4001 - 5000	22	109475	1.93
5001 - 10000	4	32150	0.57
Above 10000	6	4037975	71.11
TOTAL	**26020**	**5677575**	**100.00**

G. GENERAL SHAREHOLDER INFORMATION

(i) **Annual General Meeting Date, Time and Venue**

27th **Annual General Meeting:**

Date and Time: 30th September 2017 at 9 am

Venue : Sri Malini Spinning Mills Limited, Sandhiyur
Mallur Via, Salem – 636203.

(ii) **Financial calendar**

Tentative Financial Calendar for the year 2016-17

Financial Year	**April 1, 2017 to March 31, 2018**
First Quarter Results	On or before August 14, 2017
Half Yearly Results	On or before November 14, 2017
Third Quarter Results	On or before February 14, 2018
Fourth Quarter and Annual Results	On or before May 30, 2018

(iii) **Date of book closure**

22nd September 2017 to 30th September 2017 (both days inclusive)

(iv) **Listing of Shares on Stock Exchange and Stock Code**

The equity shares of the company is listed with BSE. The Company has paid the Annual Listing fee for the year 2016-17.

(v) **Market Price data**

Not Applicable.

Monthly share price movement during the financial year 2016-17 — NA

(vi) **Address of Registrar and Transfer Agents — NA**

It is brought to the kind notice of the shareholders that the Ministry of Corporate Affairs has taken a Green Initiative as part of the Corporate Governance by allowing paperless compliances and communications not overruling the other relevant statutory Enactments. The MCA clarified that the Company would have complied with the required Regulations, if the service of document has been made through electronic mode provided the Company has obtained e-mail addresses of its members for sending the notice / documents through e-mail by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the company.

In view of the above the shareholders are requested to provide their e-mail id to srimalini2009@gamail.com besides sending the duly filled in form annexed at the end of this book to the Share Registrars and Transfer Agents, to enable the company to avail the benefits of reduction of paperwork and cost, assured / timely / quality services to the investors, contributing to global sustainability etc.

The shareholders are requested to contact through the above cited mail id for any queries regarding the procedures for issue of new share certificates, dematerialization, transfers, nominations and address updations.

H. CODE OF CONDUCT

The Code of Conduct for the Management/Directors of the company has been adopted as required under Clause 49(II)(E) of the Listing Agreement with Stock Exchange which applies to all the Board Members and Senior Management of the Company. The Board Members and Senior Management personnel have affirmed their compliance on an annual basis and their confirmations have been received in this regard. A declaration to this effect signed by the Whole Time Director is provided elsewhere in the annual report. The Code of Conduct is available on the Company's website : www.maliniltd.com

I. ADDRESS FOR CORRESPONDENCE

Registered Office	Sri Malini Spinning Mills Limited, Sandhiyur, Mallur - via, Salem-636 203. - 620 001 Phone : 0427-2422936
Website address	www.maliniltd.com
Email id	Srimalini2009@gmail.com

For and on behalf of the Board

Place: Salem
Date : 14.08.2017

Smt Jeyanthei
Director
(DIN 07143462)

DECLARATION AS TO THE COMPLIANCE OF CODE OF CONDUCT OF THE BOARD MEMBERS AND THE SENIOR MANAGEMENT PERSONNEL

This is to confirm that the Company has adopted the Code of Conduct. The Code of Conduct is posted on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2017, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them for the year ended March 31, 2017.

Place: Salem
Date : 14.08.2017

Smt. Jeyanthei
Director
(DIN 07143462)

CEO & CFO CERTIFICATION AS PER CLAUSE 49 IX OF THE LISTING AGREEMENT

We certify to the Board that:

A) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2017 and that to the best of our knowledge and belief:

1. these statements do not contain materially untrue statement or omit any material fact or contain statement that might be misleading
2. 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.

B) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate of the Company's code of conduct.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to the financial reporting and we have disclosed to auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify the deficiencies.

D) We have indicated to auditors and the Audit Committee

1. Significant changes in internal control over financial reporting during year : NIL
2. Significant changes in accounting policies during the year and same have been disclosed in the notes to the financial statements: NIL
3. Instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system: NIL

Place: Salem
Date: 14.08.2017

Mr KSS PRAKKAASH
Chief Financial Officer

CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF LISTING AGREEMENT FROM A PRACTISING COMPANY SECRETARY:

CERTIFICATE

To

The Members,
M/S. SRI MALINI SPINNING MILLS LTD

I have examined the compliance of conditions of Corporate Governance by **M/S. SRI MALINI SPINNING MILLS LIMITED,** for the year ended 31st March, 2017 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

I further state that such compliance is neither an assurance as the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

(CS S. Anuradha)
C.P.NO : 4122

Salem
14 August, 2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Management Discussion and Analysis Report is a "forward looking statement" and forms part of the Annual Report of the Company. It Indicates the Company's movement in the external environment Vis-à-vis its own strengths and resources detailing the Company's objectives and expectations

1. INDUSTRY STRUCTURE AND DEVELOPMENT :

The local industry is taking all initiative to improvise in all areas to compete with foreign companies in terms of quality and price for which Government support required in all areas of operation especially in terms of funding by banks at reasonable interest rates and other import subsidies for importing machineries and additional incentives and action to contain rupee fall against dollar.

2. OPPORTUNITIES AND THREATS:

There are no operations facing opportunities and threats of the industry.

3. RISKS AND CONCERNS

Increasing competitive intensity in the healthcare sector, increasing cost / scarcity of resources are matter of concern.

Constant changes in technology requiring, revamping of the existing systems.

The challenging demands and high value expectations of the people using the services. Demanding safety / accountability factors against the risk in the services provided.

The analysis also shows that the 'strengths' and 'opportunities' far outweigh 'weaknesses' and 'threats'. Strengths & opportunities are fundamental and weaknesses & threats are transitory.

4. FINANCIAL AND OPERATIONAL PERFORMANCE

A. Results of Operations

a. Income – NIL

b. Expenses – Due to non-operational conditions, only expenses related to statutory compliances are incurred and met.

c. Profit / Loss – The Company shows a Loss of Rs 1408017 lakhs after adjusting expenses from the only revenue from lease rentals.

B. Financial Condition

a. Source of Funds – There is no change in the share capital, reserves and surplus, unsecured loans and secured loans.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems are adequate for size of operations of the company.

6. OUT LOOK

Being a listed corporate entity our vision and mission is centered around, core corporate governance and corporate social responsibility and as a corporate citizen.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NO OF PEOPLE EMPLOYED

As there are no operations, there is no material development in human resources front.

Independent Auditors' Report

To the Members of Sri Malini Spinning Mills Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Sri Malini Spinning Mills Limited,** which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, 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 standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principals generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and defecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those 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 the 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial 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, 2017;

(b) in the case of the Statement of Profit and Loss, of the **Loss** 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, 2017 (the Order) as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that :
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31st March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
   (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amounts which required to be transferred towards the investor protection fund by the company.

L. Narayanan
Chartered Accountant.
Membership No. 202175

Place : Salem
Date : 29.05.2017

Annexure A to the Auditor's report

The annexure referred to in our independent Auditor's report to the members of the company on the standalone financial statements for the year ending 31st March 2017. We report that;

1. **Fixed Assets -**

   The company does not own any fixed assets.

2. **Inventories -**

   The Company did not carry any inventories during the year under report and hence the Physical verification of the same does not arise.

3. **Loans and advances -**

   The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act during the year under report.

4. **Loans, Investments, Guarantees and Other Securities -**

   The company has not granted any loans, made any Investments, given guarantee or other security contravening the provisions of section 185 or section 186 of the Act.

5. **Public deposits -**

   The company has not accepted any deposit from public during the year under report.

6. **Cost Records -**

   The company has not done any manufacturing activity during the year under report and therefore the maintenance of records for this year does not arise.

7. **Statutory dues**

   The company is regular in depositing the undisputed statutory dues including, income-tax, sales-tax, service tax, and other statutory dues with the appropriate authorities.

8. **Borrowings from Financial Institutions -** The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(Viii) of the order is not applicable.

9. **IPO and Further public offer -** The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. **Frauds -** No such instances have been noticed on or by the company during the course of our audit.

11. **Managerial Remuneration -** According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. **Provisions Applicable to Nidhi Companies -** In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.

13. **Related Party transactions -** According to the information and explanations given to us and based on our examination of the records of the Company, there are no transactions with the related parties during the year under report.

14. **Preferential allotment of shares -** According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. **Non Cash Transactions with Directors**

    According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable

16. **Registration with RBI.**

    The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

17. **Specified Bank Note**

    The Company did not deal in with the Specified Bank Note during the year under report and hence the details required to be furnished are NIL.

L. Narayanan
Chartered Accountant.
Membership No. 202175

Place : Salem
Date : 29.05.2017

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sri Malini Spinning Mills Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

L. Narayanan
Chartered Accountant.
Membership No. 202175

Place : Salem
Date : 29.05.2017

SMSM

SRI MALINI SPINNING MILLS LIMITED, SALEM

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

BALANCE SHEET AS AT 31st MARCH, 2017

	Note No.	As at 31.03.2017	As at 31.03.2016
A. EQUITY AND LIABILITIES			
I. SHAREHOLDERS' FUND			
(a) Share Capital	1	**63,187,650**	63,187,650
(b) Reserves and Surplus	2	**-138,273,445**	-137,126,706
(c) Money received against share warrants			
Total (I)		**-75,085,795**	-73,939,056
II. Share application money pending allotment			
Total (I) + (II)		**-75,085,795**	-73,939,056
III. NON-CURRENT LIABILITIES			
(a) Long-term borrowings	3	**45,673,509**	45,673,509
(b) Deferred tax liabilities (Net)		---	---
(c) Other Long-term liabilities		---	---
(d) Long-term provisions		---	---
Total (III)		**45,673,509**	45,673,509
IV. CURRENT LIABILITIES			
(a) Short-term borrowings		---	---
(b) Trade payables	4	**34,771,014**	33,578,795
(c) Other current liabilities			
(d) Short-term provisions		---	---
Total (IV)		**34,771,014**	33,578,795
Total of Equities and Liabilities		**5,358,728**	5,313,248
B. ASSETS			
I Non-current assets			
(a) Fixed assets			
(i) Tangible assets		---	---
(ii) Intangible assets		---	---
(iii) Capital work-in-progress		---	---
(iv) Intangible assets under development		---	---
(v) Fixed assets held for sale		---	---
Total (I)		---	---
(b) Non-current investments		---	---
(c) Deferred tax assets (net)		---	---
(d) Long-term loans and advances		---	---
(e) Other non-current assets		---	---
II Current assets			
(a) Current investments		**---**	---
(b) Inventories		**---**	---
(c) Trade receivables		**---**	---
(d) Cash and cash equivalents	5	**7,599**	7,599
(e) Short-term loans and advances	6	**5,351,129**	5,305,650
(f) Other current assets		---	---
		5,358,728	5,313,249
Total Current Assets and Non Current Assets		**5,358,728**	5,313,248

For and on behalf of the Board of Directors

K. MOHAMMAD YASEEN
Whole time Director

K. RAMASAMY
Director

Place : Salem.
Date : 29.05.2017

As per my report of even date,

L. NARAYANAN
Chartered Accountant
Member ship No : 202175

SMSM

SRI MALINI SPINNING MILLS LIMITED, SALEM

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

	Note No.	As at 31.03.2017	As at 31.03.2016
I. Revenue from operations (gross)		---	---
Total (I)		---	---
II. Expenses :			
(a) Cost of materials consumed		---	---
(b) Changes in inventories		---	---
(c) Employee benefit expense	7	**503,179**	1,027,581
(d) Financial costs	8	**858**	300
(e) Depreciation and amortization expense		---	---
(f) Other expenses	9	**642,702**	380,289
Total (II)		**1,146,739**	1,408,170
III. Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) **Total (I - II)**		**-1,146,739**	-1,408,170
IV. Exceptional items		---	---
V. Profit / (Loss) before extraordinary items and tax (III ± IV)		**-1,146,739**	-1,408,170
VI. Extraordinary items		**---**	---
VII. Profit / (Loss) before tax (V ± VI)		**-1,146,739**	-1,408,170
VIII. Tax expense :			
(a) Current tax expense for current year		---	---
(b) (Less) : MAT credit (where applicable)		---	---
(c) Current tax expense relating to prior years		---	---
(d) Net current tax expense		---	---
(e) Deferred tax		---	---
XI. Profit / (Loss) from discontinuing operations		---	---
XII. Tax expense of Discounting operations		---	---
XIII. Profit/(Loss) from Discontinuing operations		---	---
XIV. Profit/(Loss) for the year (VII + XIII)		**-1,146,739**	-1,408,170
XV. Earnings per share (of Rs.100/- each) :			
(a) Basic			
(b) Diluted			

For and on behalf of the Board of Directors

As per my report of even date,

K. MOHAMMAD YASEEN
Whole Time Director

K. RAMASAMY
Director

L. NARAYANAN
Chartered Accountant
Member ship No : 202175

Place : Salem.
Date : 29.05.2017

SMSM

SRI MALINI SPINNING MILLS LIMITED, SALEM

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

SCHEDULES TO BALANCE SHEET

	As at 31.3.2017 Rs.	As at 31.3.2016 Rs.
1. SHARE CAPITAL		
Authorised		
10,00,000 - 10% Cumulative Reedemable Preference Shares of Rs.10/- each.	10,000,000	10,000,000
90,00,000 Equity Shares of Rs.10/- each	90,000,000	90,000,000
Total	**100,000,000**	**100,000,000**
Issued		
7,75,000 - 10% Cumulative Reedemable Preference Shares of Rs.10/- each.	7,750,000	7,750,000
56,77,575 Equity Shares of Rs.10/- each	56,775,750	56,775,750
Total	**64,525,750**	**64,525,750**
Subscribed, called and paid-up		
7,75,000 - 10% Cumulative Reedemable Preference Shares of Rs.10/- each.	7,750,000	7,750,000
Issued subscribed and paid up 56,77,575 Equity Shares of Rs.10/- each	56,775,750	56,775,750
Less : Calls in arrears	1,338,100	1,338,100
Total	**63,187,650**	**63,187,650**
SCHEDULE - 2		
RESERVES AND SURPLUS		
Opening balance	(137,126,706)	(135,718,536)
Add: Transferred from surplus in Statement of Profit and Loss	(1,146,739)	(1,408,170)
Less: Utilised / transferred during the year for :	---	---
Others (Investment allowance Reserve)		
Clossing balance	---	---
Total	**(138,273,445)**	**(137,126,706)**
SCHEDULE - 3		
LONG-TERM BORROWINGS		
From Erstwhile Directors	26,083,597	26,083,597
Others	19,589,912	19,589,912
Total	**45,673,509**	**45,673,509**
SCHEDULE - 4		
TRADE PAYABLES		
Sundry Creditors	**34,771,014**	**33,578,795**
Total	**34,771,014**	**33,578,795**

	For the year ended 31.3.2017 Rs.	For the year ended 31.3.2016 Rs.
SCHEDULE - 5		
CASH AND CASH EQUIVALENTS		
(a) Cash on hand	---	---
(b) Cheques, drafts on hand	---	---
(c) Balances with banks	---	---
(d) In current accounts	7,599	7,599
Total	**7,599**	**7,599**
SCHEDULE - 6		
SHORT-TERM LOANS AND ADVANCES		
(advances recoverable in cash or in kind or for the value to be received)	---	---
Deposits	4,186,000	4,186,000
Advances	1,165,129	1,119,649
Total	**5,351,129**	**5,305,649**
SCHEDULE - 7		
EMPLOYEE BENEFIT EXPENSE		
Salary and Bonus	309,622	441,139
Gratuity	193,557	586,442
Total	**503,179**	**1,027,581**
SCHEDULE - 8		
FINANCIAL COSTS		
Bank Charges	858	300
SCHEDULE - 9	**858**	**300**
OTHER EXPENSES		
Advertisement	19,696	32,848
AGM Expenses	11,000	0
Auditor's Remuneration	28,750	28,000
Insurance	17,924	235,956
Miscellaneous expenses	293,422	82,985
Professional Charges	271,910	0
Total	**642,702**	**380,289**

NOTES ON ACCOUNTS FOR THE YEAR ENDING 31-03-2017

Significant Accounting Policies

The accounts are prepared on a historical cost and materially comply with the mandatory accounting standards issued by the institute of Chartered Accountants of India. The significant accounting policies followed by the company are as follows.

1. **Fixed Assets and Depreciation**: The Company does not have any fixed assets.
2. **Valuation of stocks.** The company did not carry any inventory during the year under report.
3. **Revenue Recognition.** Revenue is recognized on accrual basis. In respect of the Interest from TNEB the company yet to receive the interest certificate and hence not provided
4. **Retirement Benefits.** Retirement benefits will be accounted in the profit and loss account as and when paid.
5. **Segment Reporting:** As per management's perception the company has only one business segment and hence disclosures as required by AS-17 Segment Reporting is not required.
6. **Foreign Currency Transactions**: NIL
7. **Deferred Revenue Expenditure**: NIL
8. **Investments** : NIL
9. **Related Parties Transactions :** NIL
10. **Deferred Tax:** NIL
11. **Research and Development** : NIL

Notes on accounts

1. **Long term borrowings in the balance sheet represents;**
   a. Erstwhile Directors: Rs.260.83 lacs
   b. Inter corporate and other: 195.90 lacs.
2. **Deferred Tax :** The Company does not have any fixed assets or other items which will have an impact of providing for Deferred tax.
3. **Trade payables** are as per the books of accounts of the company and subject to reconciliation.
4. **Loans and advances** Both Long term and short term are recoverable and hence no provision is required to be made in the accounts.

5. **Debts due by Directors or relatives : NIL**

6. **Auditors Remuneration**

   a. For audit – Rs.25,000/-

7. **Commitments on account of capital contracts – NIL**

8. **Contingent Liabilities – NIL**

9. **Earnings in Foreign Exchange – NIL**

10. **Expenditure in Foreign Currency – NIL**

11. Balances are as per the General Ledger and subject to confirmation.

12. Previous year figures have been regrouped wherever necessary to confirm to current year classification.

13. The amount due to Small Scale and Ancillary industries as at the close of the financial year is NIL.

As Per My Report of Even Date

L.Narayanan
Chartered Accountant
Membership Number : 202175

Place : Salem
Date : 29.05.2017

SMSM

SRI MALINI SPINNING MILLS LIMITED, SALEM

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

A.	**CASH FLOW STATEMENT**	
	Net Profit before Tax and Extraordinary items	**(1146739)**
	Adjustment for :	
	Depreciation	0
	Deferred Revenue	0
	Extra ordinary items	0
	Interest Charges & Other financial charges	0
	Operating Profit before Working capital changes	**(1146739)**
	Adjustments for :	
	Trade and other Receivables	0
	Inventories	0
	Trade Payables	1192219
	Loans and Advances	(45480)
	Taxes	0
	Cash Generated from Operations	**1146739**
	Net Cash From Operating Activities - A	**0**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**	
	Sale of Assets (net)	0
	Adjustments for Depreciation withdrawls	0
	Net Cash used in Investing Activities - B	**0**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**	
	Long term borrowings	0
	Interest paid	
	Net Cash from Financing activities - C	**0**
	Net Increase / Decrease in Cash and Cash Equivalents	**0**
	Cash and Cash equivalents as at 01.04.2016	**7599**
	Cash and Cash equivalents as at 31.03.2017	**7599**

K. MOHAMMAD YASEEN
Whole Time Director

K. RAMASAMY
Director

As per my report of even date.,
L. NARAYANAN
Chartered Accountant
Member ship No : 202175

Place: Salem.
Date : 29.05.2017

AUDITOR'S CERTIFICATE

I have examined the Cash Flow Statement of Sri Malini Spinning Mills Limited for the year ended 31st March 2017. The Statement has been prepared by the company in accordance with the requirements of the listing agreement with the Stock exchange and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report dated 30th May' 2017 to the members of the company.

As per my Report of Even date
L. NARAYANAN
Membership No. 202175

Place : Salem
Date : 29.05.2017

ACCEPTANCE FOR SENDING COMMUNICATION IN ELECTRONIC MODE

From : Date .....

To:
M/s. Sri Malini Spinning Mills Limited
Trichy Main Road, Sandhiyur (P.O),
Mallur - via, Salem-636 203.

Dear Sir(s),
Ref : COMMUNICATIONS IN ELECTRONIC FORM

Name of First Holder (In Block Letter)	
Folio No.	
No. of Shares	
E-mail id	
Phone No.	
PAN	
Latest Address for Communication	

I agree / do not agree, to receive the Annual Report and other communications from Sri Malini Spinning Mills Limited in my above cited e-mail id.

I hereby declare that the particulars given above are correct and complete.

(Signature of the First / Sole shareholder)

SMSM

SRI MALINI SPINNING MILLS LIMITED, SALEM

(CIN: L17111TZ1990PLC008370)

Regd. Office : Trichy Main Road, Sandhiyur, Mallur (Via), Salem-636 203.

ATTENDANCE SLIP

Folio No. Shares S.No.

A G M 2017

I hereby record my present at the Twenty Seventh Annual General Meeting to be held on 30th September 2017.

Venue : Sri Malini Spinning Mills Limited, Registered Office.

Time : 9.00 a.m.

Please ✓ in the box ☐ MEMBER ☐ PROXY

Member's Signature

Name of the Proxy in **BLOCK LETTERS**

Proxy's Signature

Notes : 1. Share holders / Proxy holders must bring the Attendance Slip to the meeting and hand over the same at the entrance duly signed.

2. Shareholders are requested to advise their change in address as well as request, if any, to the Registered Office of the Company quoting their folio numbers.

SRI MALINI SPINNING MILLS LIMITED, SALEM

(CIN: L17111TZ1990PLC008370)

Regd. Office : Trichy Main Road, Sandhiyur, Mallur (Via), Salem-636 203.

PROXY FORM

I/We.....Folio No.....
..... residing in the district of .....
being Member(s) of Sri Malini Spinning Mills Limited hereby appoint .....
.....residing in the district of .....
....., as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Twenty Seventh Annual General Meeting of the Company to be held on the 30th September 2017.

Venue : Sri Malini Spinning Mills Limited, Registered Office.

Signed the ..... day of ..... 2017.

SIGNATURE OF PROXY(IES) 1. _____

2. _____

Affix revenue stamp

Notes : 1. The proxy to be vaild should be deposited at the Registered Office of the Company, not later than 48 hours before the meeting. The Proxy need not be a member of the Company.

2. The Proxy should be executed on 1 Rupee revenue stamp.

3. Please Mark the envelop "SMSM PROXY".

4. Proxy cannot speak at the meeting or vote on a show of hands.

BOOK-POST

To

If undelivered, please return to

SRI MALINI SPINNING MILLS LIMITED

Trichy Main Road, Sandhiyur (Post),
Mallur (Via), SALEM - 636 203.

SHRI ABHIRAAMI OFFSET, SALEM-9. Ph : 2352547