

MARIS SPINNERS LIMITED

MANAGING DIRECTOR

Sri. Anandkumar Rengaswamy

DIRECTORS

Sri. T.Jayaraman
Sri. T.Raghuraman
Smt. T.Kamala
Sri. A.Harigovind
Sri. S.Venkataramani
Sri. S.Srivatsan
Sri. Premal H Udani

REGISTERED & ADMINISTRATIVE OFFICE

11, Cathedral Road
Chennai - 600 086
Phone : + 91 44 28115910 / 12 / 18
Fax : + 91 44 28111513
Mail : msl@vsnl.com
Web : www.maris.co.in
CIN : L93090TN1979PLC032618

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

STATUTORY: M/s. N.C.S. Raghavan & Co.
CHARTERED ACCOUNTANTS
No.27, Sri Venkateswara Krupa
1st Main Road, Vyalikaval
Bangalore – 560 003.

INTERNAL : M/s. S.N.S. Associates
CHARTERED ACCOUNTANTS
25, 11th Cross Street, Adyar
Chennai – 600 020.

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.

HDFC Bank Ltd.,
Mylapore Branch
Chennai - 600 004.

State Bank of India
SME Branch, Chennai - 600 032.

COMPANY SECRETARY

Mr. K V S Raghavan

SHARES LISTED AT :

Bombay Stock Exchange
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001.



NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 38TH ANNUAL GENERAL MEETING OF THE MEMBERS OF MARIS SPINNERS LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 22, 2017 AT 9.30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT HOTEL MARIS, I FLOOR, NO. 11, CATHEDRAL ROAD, CHENNAI - 600 086, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To consider and if thought fit, to pass with or without modifications, the following resolutions as an Ordinary Resolutions;
"**RESOLVED** that the Audited Financial Statements of the Company for the financial year ended March 31,2017, the Reports of the Board of Directors and the Auditors thereon, be and are hereby approved and adopted".
2. To consider and if thought fit, to pass with or without modifications, the following resolutions as an Ordinary Resolutions;
To declare dividend for the year 2016-17
3. To consider and if thought fit, to pass with or without modifications, the following resolutions as an Ordinary Resolutions;
"**RESOLVED** that Sri. T. Jayaraman (holding DIN: 01402853), the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation.
4. To consider and if thought fit, to pass with or without modifications, the following resolutions as an Ordinary Resolutions;
"**RESOLVED** that Sri. T. Raghuraman (holding DIN: 00075326), the retiring Director, be and is hereby re-elected as Director of the Company, liable for retirement by rotation.
5. To consider and if thought fit, to pass with or without modifications, appoint or re-appoint auditors and fix their remuneration.
"**RESOLVED** that pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any. Of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and pursuant to the recommendation of the Audit Committee of the company, Mr. Vijayakumar Janadri Chartered Accountant Bangalore, (Membership No. 222127), be and is hereby appointed as the statutory auditors of the company until the conclusion of next Annual General Meeting (subject to the ratification of the appointment by the member at the Annual General Meeting) in place of retiring auditor M/s N C S Raghavan & Co., Chartered Accountants, and that the Board of Directors of the company be and is hereby authorized to fix the remuneration.

SPECIAL BUSINESS

6. TO TRANSACT THE FOLLOWING SPECIAL BUSINESS WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY RESOLUTION FOR REGULARIZATION OF ADDITIONAL DIRECTOR.
"**RESOLVED** that pursuant to Sec 160 & 161 of the Companies Act, 2013, and any other applicable provision (including any modification or re-enactment thereof) if any, of the Companies Act, 2013 Sri. A.Harigovind (holding DIN: 06428975) who was appointed as an Additional Director in the meeting of the Board of Directors held on 31.10.2016, and whose term expires at the ensuing Annual General

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Meeting of the Company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the director be and is hereby appointed as Director and Chief Financial Officer of the Company.

7. To consider and if thought fit, to pass with or without modification(s) the following a Special Resolution:

"RESOLVED THAT, pursuant to Section 148(3) of the Companies Act, 2013 and rule 6(2) of the Companies (Cost records and Audit Rules) 2014, M/s A.Gopala Iyengar, Cost Accountants (Registration No. 4915) be and are hereby appointed as the Cost Auditors of the Company to conduct audit of cost records made and maintained by the Company pertaining to manufacture of (product/services) for financial year commencing on 1st April 2017 and ending on 31st March 2018, to hold office from conclusion of this meeting until conclusion of next Annual General Meeting.

By Order of the Board

ANANDKUMAR RENGASWAMY

Managing Director

Place: Chennai

Date : 30.05.2017



NOTES :

1. The relative explanatory statement, pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.
2. 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.
3. The Register of Members and share transfer books of the Company shall remain closed from **16.09.2017 to 22.09.2017** (both the days inclusive) for the purpose of Annual General Meeting.
4. 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.
5. The members are requested to bring their copy of the Annual Report as the same will not be provided at the meeting.
6. As part of green initiative, members are requested to update your e-mail address to "investor@maris.co.in" in order to send information and Annual Report to the registered e-mail ID's.
7. The Company has declared Dividend for the financial years as below:

| S.No. | Financial Year | Dividend Amount in Rs. | Unclaimed Amount in Rs. | Date of payment of dividend | Due date for transferring into IEPF |
|-------|----------------|------------------------|-------------------------|-----------------------------|-------------------------------------|
| 1 | 2010-11 | 80,17,060.00 | 2,37,748.00 | 21.10.2011 | 20.10.2018 |
| 2 | 2012-13 | 80,17,060.00 | 3,42,472.00 | 07.10.2013 | 06.10.2020 |
| 3 | 2013-14 | 80,17,060.00 | 3,22,733.00 | 01.10.2014 | 30.09.2021 |
| 4 | 2014-15 | 80,17,060.00 | 3,24,093.00 | 05.10.2015 | 04.10.2022 |
| 5 | 2015-16 | 80,17,060.00 | 3,32,171.00 | 07.10.2016 | 06.10.2023 |

The Shareholders are requested to claim the unclaimed amounts. The un-claimed amounts has not been transferred to Investor Education and Protection Fund under Section 124 of the Companies Act 2013, since seven years have not been completed.

8. Voting through Electronic means

Pursuant to the provisions of Sec 108 of the a Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Rule 21, of the Companies (Management and Administration) Rules, 2014 and the provisions of clause 35B of the Listing Agreement entered into with the Stock Exchange, the Company shall provide members, the facility to exercise their vote at the 38th Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting services provided by Central Depository Services Limited (CDSL)

INSTRUCTIONS FOR EXERCISE OF VOTING RIGHTS BY ELECTRONIC MEANS

- i. The voting period begins on 19th September 2017 at 9.00 AM and ends on 21st September 2017 at 5.00 PM, 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) Friday, 15th September 2017 may cast vote

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electronically. The E-Voting module disabled by CDSL for voting thereafter. The E-Voting system will be available at all time except between 00.00 hrs to 01.00 hrs (IST).

- ii. Institutional shareholders (i.e. other than Individual, HUF, NRI, etc.) are required to register themselves as Corporates by logging on to <http://www.evotingindia.co.in>. A scanned copy of the Registration Form duly signed and seal affixed should be e-mailed to helpdesk.evoting@cdslindia.com. The login details will be sent by CDSL by reply mail. After receiving the login details they have to create a compliance user who would be able link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they can cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- iii. The following are the instructions for participating in the e-voting on the resolutions contained in the notice of the Annual General Meeting. These apply to all the Members of the Company and who receive the notice either by e-mail or physical copy.
 - a. Log on to the e-voting website www.evotingindia.com during the voting period.
 - b. Click in "Shareholders" tab to cast your votes
 - c. Select the "COMPANY NAME" from the drop down Menu and click on "SUBMIT"
 - d. Enter User ID as shown below

| | |
|--|--|
| Members holding shares in demat form with CDSL | Sixteen digits beneficiary ID |
| Members holding shares in demat form with NSDL | Eight Character DP ID followed eight digit Client ID |
| Members holding shares in Physical form | Folio No. |

- e. Enter the image verification as displayed and click on "Login"
- f. Enter the Password:

Members holding shares in Demat form and who have already exercised e-voting on an earlier occasion through www.evotingindia.com in respect of their holding in any other Company shall use their existing password. If the password has been forgotten they will have to enter the User ID and Image Verification Code and then click on "Forgot Password" to enter the details as prompted by the system for retrieving the password. Password entry for members who are holding shares in demat form and are exercising e-voting for the first time and for Members holding shares in Physical form shall be as below:

| | |
|-----------------------|---|
| PAN | 10 digit PAN issued by the Income Tax Department, if the same has been registered with the DP or as the case may be with the Company. For Members who have not registered their PAN, the first two letters of their name followed by the eight digit Serial Number printed on the address slip shall be entered in the PAN field. |
| Date of Birth ## | Date of Birth as registered with the DP or as the case may be with Company in DD/MM/YYYY format |
| Dividend Bank Details | As registered with the DP or as the case may be with the Company. If both the above details have not been registered with the DP or as the case may be with the Company, the demat account number or the Folio number is to be entered in this field. |



* Members who have not updated their PAN with the Company / RTA / Depository Participant, are requested to use first 2 letter of their name and the sequence number in the PAN field. In case the sequence number is less than 8 digit, enter the applicable number of "0" (Zeros) before the number of the first two characters in CAPITAL LETTERS. Eg if your name is Anand with sequence number 1 then enter AN00000001 in the PAN field (serial number mentioned in your address can be used as sequence number for this purpose).

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or the Company, please enter the member ID/Folio number in the divided bank field.

To avoid this problem of filling a default number in future, members are strongly advised to update their PAN details and dividend bank details immediately with the Depository Participants / RTA - Cameo Corporate Services Limited/Company.

- g. Click Submit for further processing. If the password entered is incorrect, system will not allow the login and you will have repeat the process under (e) above the until the proper password entered.
 - h. Members holding shares in physical form will be directed to the "Company Selection" menu.
 - i. Members holding shares in demat form and participating in e-voting through www.evotingindia.com for the first time will be required mandatorily to create their own password to proceed with the e-voting process. The new password shall be used by them for any future e-voting on CDSL platform. After completion of the new password creation, they will be directed to the Company Selection Menu.
 - j. Click on the EVSN for Maris Spinners Limited and you will be directed to the E-Voting Screen.
 - k. The description of the Resolutions as set out in the Notice of the Meeting and the voting options "YES/NO" will be displayed for each of the resolutions on this screen for voting.
 - l. Click on the "Resolutions File Link" if you wish to view the full description of the resolutions.
 - m. Select the option YES or No for each of the item as desired by you. The option YES implies that you assent to the Resolution and option No implies that you dissent to the Resolution.
 - n. After selection click on SUBMIT and a confirmation box will be displayed. If you wish to confirm and complete the vote process OK, else press CANCEL to change your vote.
 - o. Once you CONFIRM your vote on the resolution, you will not be allowed to modify your vote.
 - p. You can also take print of the voting done by you by clicking on "Click here to print" option on the voting page.
- iv. Voting through electronic means would be on the basis of proportion of shares held by the members viz., on "one share one-vote" basis as on the "Cut off date" ie. 15th September 2017.
- v. For any queries or issues regarding e-voting, please refer to the Frequently Asked Questions ("FAQ") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com or contact Phone No. 022-22723333.
- vi. Voting At AGM:
The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e Voting, shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote again.

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- vii. Mr.N.Sridharan, Practicing Company Secretary (membership No. PCS 7469) has been appointed as the Scrutinizer to Scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall immediately after the conclusion of the voting at the general meeting will first count the votes cast at the meeting and thereafter unlock the vote case in the remote e voting in the presence of atleast 2 witnesses not in the employment of the Company and shall make, note later than 3 days after the conclusion of the AGM, a consolidated Scrutinizer report of the votes cast in favour or against, if any, to the Chairman or a Person authorized by him in writing who shall counter sign the same and declare the result of the voting forthwith.
- viii. The result declared along with the scrutinizer report shall be placed on the Company's web site www.maris.co.in and the web site of CDSL and also forward the same to BSE where the shares are listed.
- ix. Statement pursuant to section 102 (1) of the Companies Act, 2013 relating to special business to be transacted at the meeting is annexed hereto.
9. Brief resume of Directors proposed to be appointed, re-appointed, nature of their expertise etc, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges provided as per the Corporate Governance forming part of Annual Report.

10. PARTLY PAID SHARE HOLDERS WILL NOT HAVE VOTING RIGHTS

Explanatory statement pursuant to Section 102 of the Companies Act 2013.

PARTICULARS OF DIRECTORS RETIRING BY ROTATION

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange following information are furnished about the Director's proposed to be appointed/ reappointed, vide item no.3 & 4 of notice dated 30.05.2016.

| S.No. | PARTICULARS | DIRECTOR | DIRECTOR |
|-------|--|--------------|---------------|
| a | Name of the Director | T. JAYARAMAN | T. RAGHURAMAN |
| b | Date of Birth | 06/12/1956 | 16/07/1958 |
| c | Date of appointment of the Board as the Director | 15/06/1995 | 27/07/2007 |
| d | Expertise in specific function areas | Business | Business |
| e | Qualification | Graduate | Graduate |
| f | Number of equity shares held in the Company by the Director or other persons on a beneficial basis | 448525 | 700040 |
| g | List of outside Directorships held in public Companies | NONE | NONE |



Item No.6

The Board at its meeting held on 31st October 2016, appointed Sri. A.Harigovind (holding DIN: 06428975) as additional director of the Company with effect from 01st November 2016, pursuant to Section 161 of the Companies Act, 2013. Hence he will hold office upto the date of the ensuing Annual General Meeting. Under Section 160 of the Companies Act 2013, a notice in writing along with the requisite deposit has been received from Mr.A.Harigovind proposing him for director ship of the Company as required under the aforesaid section.

The Company has received from Mr.A.Harigovind,

- (i) consent in writing to act as a Director in form No. DIR - 2, pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- (ii) Intimation in Form DIR 8 in term of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under Sub Section (2) of Section 164 of the Companies Act, 2013.

Particulars of Director

| S.No. | PARTICULARS | DIRECTOR |
|-------|--|--------------|
| a | Name of the Director | A.HARIGOVIND |
| b | Date of Birth | 21/08/1983 |
| c | Date of appointment of the Board as the Director | 01/11/2016 |
| d | Expertise in specific function areas | Business |
| e | Qualification | C.A. |
| f | Number of equity shares held in the Company by the Director or other persons on a beneficial basis | NIL |
| g | List of outside Directorships held in public Companies | NONE |

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail their services as Directors. Accordingly, the Board recommends the resolution No. 6 in relation to appointment of Sri A.Harigovind as Director cum Chief Finance Officer, for the approval by the shareholders of the Company.

Mr. Anandkumar Rengaswamy and Mr. A.Harigovind, both are interested.

Item No.7

In pursuance of Sec 148 of the Companies Act 2013 and the Companies (Audit and auditors) Rules, 2014, the Board shall appoint a cost auditor on the recommendation of the Audit Committee. Remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified

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by the shareholders . On recommendation of the audit committee at its meeting held on 30th May 2017, the Board of Directors has considered and approved appointment of M/s A. Gopal Iyengar, Cost Accountant, for the conduct and approved appointment of M/s A.Gopal Iyengar, Cost Accountants, for the conduct of the Cost Audit of the Company's various manufacturing units for the year 2017-18 at a remuneration as fixed. The resolution at item No.7 of the notice is set out as an special resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the said resolution.

By Order of the Board

Place: Chennai
Date : 30.05.2017

ANANDKUMAR RENGASWAMY
Managing Director



DIRECTOR'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

Your Directors are pleased to present the Thirty eighth Report together with the Audited Financial Statements for the year ended March 31, 2017. The Management Discussion and Analysis is also included in this Report.

Rs. in lakh

| S.NO. | PARTICULARS | 2016-17 | 2015-16 |
|-------|--|----------|----------|
| i | Profit/Loss before interest and depreciation | 1,278.43 | 1,430.12 |
| ii | Interest | 473.77 | 542.08 |
| iii | Depreciation | 505.88 | 493.24 |
| iv | Profit/Loss before tax | 298.78 | 394.79 |
| v | Tax adjustments including deferred tax | 33.76 | 76.03 |
| vi | Profit/Loss after tax | 265.02 | 318.76 |
| vii | Profit brought forward from previous year | 746.33 | 524.22 |
| viii | Profit available for appropriation | 1,011.34 | 842.98 |
| ix | Proposed dividend | 0.00 | 80.30 |
| x | Dividend distribution tax | 0.05 | 16.35 |
| xi | Profit/Loss after appropriation | 1,011.29 | 746.33 |

1. CORPORATE OVERVIEW

Maris Spinners Limited (Your Company) is a leading spinning mill manufacturing high quality yarn for the domestic market with interests in Wind Energy Generation for captive use. The company has its headquarters at Chennai.

2. FINANCIAL PERFORMANCE

Amid optimism and rising business sentiments, your Company reported a top line growth of over the previous year. The Gross Revenue from operations stood at Rs. 12051.64 lakh compared with Rs. 10740.58 lakh during the Previous Year. The Operating Profit before tax stood at 298.78 lakh as against Rs.394.79 lakh during the Previous Year. The Net Profit for the year stood at 265.02 lakh against Rs.318.76 lakh reported during the Previous Year.

3. DIVIDEND AND RESERVES

Your Directors recommending a dividend of Rs. 1/- per share, subject to approval of the members at the ensuing Annual General Meeting.

4. ANALYSIS AND REVIEW

Industry conditions and Review of operations

The Indian textile industry witnessed reasonable improvement during the course of the year. During the year under review your company was able to maintain its performance due to stable cotton prices, remunerative yarn price through dedicated efforts aimed at improving operational efficiency, focus on

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optimal product mix and effective cost saving practices. Power situation was cause of concern for most part of the financial year.

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 2016-17.

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 higher profit during the current year.

Opportunities and Risks

The cotton price is subject to climatic conditions and market volatility. The probable impact of climatic conditions in current year is expected to have a bearing on the cotton prices.

Exports may partly get affected since European Markets are yet to improve. Power shortage and Labour shortage are major concerns, which could have impact on operations of the Company. Higher inflation and increase in interest rates would have adverse impact on profit margins of the company.

Raw Material

The cost of raw material viz. cotton was stable during the year.

5. FINANCE AND ACCOUNTS

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis.

The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2017.

There is no auditor's qualification in the financial statements for the year under review.

6. STOCK EXCHANGE

The Shares are listed at BSE. The suspension of trading was revoked by BSE and shares are actively traded. The Share Price as on 31.03.2017 was Rs. 29.50. The Movement of trading is given under corporate governance report.

7. CORPORATE GOVERNANCE

As per Regulation 17 of the Listing Regulation with the Stock Exchanges, a separate section on corporate governance practices followed by the company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

8. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as Annexure - A and forms an integral part of this Report.



9. DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing obligations and disclosure regulation) 2015 of the Listing Regulation.

Mr. M. Rangaswamy one of the promoter directors resigned as director with effect from 01.11.2016 due to personal reasons. He has been director of the Company for the last 38 Years. He has contributed immensely for the growth of the Company. Board places on record it's appreciation for the assistance and guidance provided by him during his tenure as director of the company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. T. Jayaraman (DIN: 01402853) and Mr. T. Raghuraman (DIN 00075326) retires by rotation at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment.

10. BOARD EVALUATION

During the year, a formal process for annual evolution of performance of Board, its committees and directors was carried out as per the criteria laid down by the Nomination and Remuneration Committee, pursuant to the provisions of the Companies Act, 2013 (C A 2013) and Clause 49 of the Listing Agreement as applicable at that time.

The criteria of evaluation of Board and its Committees were founded on the structure, composition, Board Management relationship, effectiveness in terms of roles and responsibilities and processes encompassing the information flow and functioning. The guiding standards for the assessment of performance of Directors (including the independent Directors) their attendance and participation at Board Meetings, sharing of their relevant domain expertise net workings in other forums, the strategic inputs and demonstration towards governance compliances.

For evaluation of performance of the Chairman additional aspects like Institutional image buildings, proving guidance on strategy and performance, maintaining an effective and healthy relationship between the Board and the Management were taken into consideration. The evaluation was carried out through a structured methodology approved by the Nomination and Remuneration Committee after ensuring that the aspects under each of the laid down criteria are comprehensive and commensurate with the size of the Board and the Committee.

11. KEY MANAGERIAL PERSONNEL

The following are the key managerial personnel of the Company:

| Sr No. | Name of the person | Designation |
|--------|---------------------|--------------------------------------|
| 1 | Mr. A.Harigovind | Director and Chief Financial Officer |
| 2 | Mr. K.V.S. Raghavan | Company Secretary |

12. NUMBER OF MEETINGS OF THE BOARD

During the year six meetings of the Board of Directors were held viz., on **30th May 2016, 30th July 2016, 18th August 2016, 16th September 2016, 31st Oct 2016, 31st January 2017.**

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13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

14. WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances.

15. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in form AOC - 2 is not required. Further, there are no material related party transactions during the year under review with the promoters, Directors or Key Managerial Personnel.

The Company has developed a Related Party Transactions framework through Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained on a quarterly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are audited by the Risk Assurance Department and a statement giving details of all Related Party Transactions are placed before the Audit Committee and Board for review and approval on a quarterly basis.

16. DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013.

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any 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 as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- (ii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iii) the annual accounts have been prepared on a going concern basis;
- (iv) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (v) that 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.

17. REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Company's policy appointment and remuneration including criteria for determining qualification, positive attributes



and independence are provided in the Corporate Governance Report forming part of this Report. The policy is given as Annexure D forming part of this Report.

18. STATUTORY AUDIT

Mr. Vijayakumar Janadri Chartered Accountant Bangalore, (Membership No. 222127), is appointed as Statutory Auditors of the Company hold office until the conclusion of next Annual General Meeting. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation that the appointment, if made, would be in conformity with the limits specified in the said Section.

19. COST AUDIT

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records relating to textile mill every year.

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s A. Gopala Iyengar, Cost Accountants as Cost Auditor to audit the cost accounts of the Company for the financial year 2017-18. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

20. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s N. Sridharan & Associates, Company Secretary in Practice (PCS .No. 7469) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure-B and forms an integral part of this Report.

There is no secretarial audit qualification for the year under review.

21. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s S.N.S. Associates, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit or reports to the Chairman of the Audit Committee.

22. RISK MANAGEMENT

The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of such risks.

Some of the risks that the Company is exposed to are:

Financial Risks

Given the interest rate fluctuations, the Company has adopted a prudent and conservative risk mitigation strategy to minimize interest costs.

Commodity Price Risks

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

Regulatory Risks

The Company is exposed to risks attached to various statutes and regulations including the Competition Act. The company is mitigating these risks through regular review of legal compliances.

Human Resource Risks

Retaining the existing talent pool and attracting new talent are major risks. The Company has initiated various measures including rolling out strategic talent management system, training and integration of learning and development activities.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The compliance under CSR is not applicable for the year under review.

24. ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

25. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business.

The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff.

The Company is committed to nurturing, enhancing and retaining top talent through Superior Learning & Organizational Development. This is a part of Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.



26. STATUTORY INFORMATION

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with the Rule 8 (3) of the Companies (Accounts) Rules, 2014 is given as Annexure to this Report.

The information required under Section 197 (12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended March 31, 2016 is given in a separate Annexure to this Report.

The above Annexure is not being sent along with this Report to the Members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before the 38th Annual General Meeting and upto the date of the ensuing Annual General Meeting during the business on working days.

The Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

Acknowledgement

Your Directors thank the Banks, Customers, Government Authorities, Suppliers and Shareholders for their support. Your directors also place on record their appreciation for the committed services by the employees of the Company.

By Order of the Board

ANANDKUMAR RENGASWAMY
Managing Director

T. JAYARAMAN
Director

K.V.S. RAGHAVAN
Company Secretary

Place: Chennai

Date : 30.05.2017

MARIS SPINNERS LIMITED

INFORMATION PERTAINING TO SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31.03.2017.

1. CONSERVATION OF ENERGY:

In accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013, 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. Disclosures pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with rules 5 (1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules 2014 are provided in the Annual Report.

a. The ratio of remuneration of each Director to the median remuneration of the Employees of the Company for the financial year:

(Explanation (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to the highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values)

The ratio of remuneration of Managing Director to the Median Remuneration of all employees who were on the payroll of the Company during the financial year 2016-17 are given below:

| Managing Director | Ratio to median remuneration |
|--------------------------|------------------------------|
| Mr.Anandkumar Rengaswamy | 19.67 : 1 |

No other director /s are drawing salary or sitting fee.

b. The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary during the financial year 2016-17 is given below:

| Name/Designation | Percentage increase in remuneration |
|--|-------------------------------------|
| Mr.Anandkumar Rengaswamy - Managing Director | NIL |
| Mr.A.Harigovind - Director & CFO | Not Applicable |
| Mr.K V S Raghavan - Company Secretary | Not Applicable |

c. The percentage increase in the median remuneration of employees in the financial year: 4.51%.

d. The number of permanent employees in the rolls of the Company : 219

e. The explanation on the relationship between average increase in remuneration and Company performance:

The remuneration applicable to the employees who are members of trade union is governed by the wage settlement agreements entered into by the Management and Union periodically. In the case of other employees, the Company follows a performance management system which is interlinked to both the performance of the individual and the Company to ensure that the remuneration reflects the performance of the Company also.



f. **Comparison of the remuneration of the Key Managerial Personnel (KMPs) against the performance of the Company:**

The total revenue increased by Rs.1311.06 lakh (12.21%) in 2016-17 as compared to the previous year. The profit before tax for the year 2016-17 amounting to Rs.298.78 lakhs compared to previous year profit of Rs.394.79 lakh. The aggregate remuneration of KMPs in 2016-17 amounts to Rs.25.50 lakh constituting 0.21% of the total revenue.

g. **Variation in the market capitalization of the Company, Price Earning Ratio as at the closing date of the current financial year and previous financial year:** Rs. 24.11 Crores.

h. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

The initial public offer of the equity shares of the Company was made in the year 1996, where 8295160 equity shares with face value of Rs. 10/- were issued at a premium of Rs. 10/- per share.

i. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase in the salaries of employees other than the managerial personnel during the last financial year was around 2.06%, there was no increase in the remuneration of Managing Director. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also industry trend.

j. **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.**

The gross sales of the Company (standalone) for the year 2016-17, were Rs.11772.98 lakh, represents an increase of 12.26% over the previous year. The profit before tax for the year 2016-17 amounted to Rs.298.78 lakh as compared to Rs.394.79 lakh last year. There was no change in the Key Managerial Personnel during the year.

k. **The key parameters for any variable components of remuneration availed by the directors:**
Not applicable.

l. **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:**

The highest paid Director is the Managing Director. No employee has received remuneration in excess of the Managing Director during the year.

m. It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

MARIS SPINNERS LIMITED

3. TECHNOLOGY ABSORPTION

There was no technology absorption

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings – Nil

Outgo – **Rs. 377.21 Lakh**

By Order of the Board

ANANDKUMAR RENGASWAMY
Managing Director

T. JAYARAMAN
Director

K.V.S. RAGHAVAN
Company Secretary

Place: Chennai

Date : 30.05.2017

ADDENDUM

REPLY TO AUDITORS QUALIFICATION

The management has sent letters of confirmation to various parties nomenclated as Debtors and Creditors which represents trade receivable 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.

By Order of the Board

ANANDKUMAR RENGASWAMY
Managing Director

T. JAYARAMAN
Director

K.V.S. RAGHAVAN
Company Secretary

Place: Chennai

Date : 30.05.2017



ANNEXURE – A
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 AND OTHER DETAILS: | | |
|---|--|--|
| 1 | CIN | L93090TN1979PLC032618 |
| 2 | Registration Date | 18.09.1979 |
| 3 | Name of the Company | MARIS SPINNERS LIMITED |
| 4 | Category/Sub-category of the Company | PUBLIC LIMITED COMPANY |
| 5 | Address of the Registered office & contact details | 11, CATHEDRAL ROAD, CHENNAI - 600086 |
| 6 | Whether listed company | YES |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | CAMEO CORPORATE SERVICES LIMITED, SUBRAMANIAN BUILDING, No.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)

| S.No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|-------|--|---------------------------------|------------------------------------|
| 1 | Manufacture of 100% Cotton Yarn | 13111 | 100% |
| 2 | | | |
| 3 | | | |

| III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES |
|--|
|--|

| S.No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|-------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| 1 | NOT APPLICABLE | | | | |
| 2 | | | | | |
| 3 | | | | | |

MARIS SPINNERS LIMITED

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

| Name of the Company | | MARIS SPINNERS LIMITED | | | | | | | | |
|---------------------------------|--|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| Face Value | | Rs. 10/- | | | | | | | | |
| Paidup Shares as on 01-Apr-2016 | | 8172360 | | | | | | | | |
| Paidup Shares as on 31-Mar-2017 | | 8172360 | | | | | | | | |
| For the Period From | | : 01-Apr-2016 | | | | To : 31-Mar-2017 | | | | |
| | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | SHAREHOLDING OF PROMOTER AND PROMOTER GROUP | | | | | | | | | |
| 1. | INDIAN | | | | | | | | | |
| a. | INDIVIDUALS/HINDU UNDIVIDED FAMILY | 5333710 | 199050 | 5532760 | 67.7008 | 5333710 | 199050 | 5532760 | 67.7008 | 0.0000 |
| b. | CENTRAL GOVERNMENT/STATE GOVERNMENT(S) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| c. | BODIES CORPORATE | 325000 | 25000 | 350000 | 4.2827 | 325000 | 25000 | 350000 | 4.2827 | 0.0000 |
| d. | FINANCIAL INSTITUTIONS/BANKS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| e. | ANY OTHER | | | | | | | | | |
| | SUB - TOTAL (A)(1) | 5658710 | 224050 | 5882760 | 71.9836 | 5658710 | 224050 | 5882760 | 71.9836 | 0.0000 |
| 2. | FOREIGN | | | | | | | | | |
| a. | INDIVIDUALS (NON-RESIDENT INDIVIDUALS/FOREIGN INDIVIDUALS) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| b. | BODIES CORPORATE | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| c. | INSTITUTIONS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| e. | ANY OTHER | | | | | | | | | |
| | SUB - TOTAL (A)(2) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2) | 5658710 | 224050 | 5882760 | 71.9836 | 5658710 | 224050 | 5882760 | 71.9836 | 0.0000 |
| B. | PUBLIC SHAREHOLDING | | | | | | | | | |
| 1. | INSTITUTIONS | | | | | | | | | |
| a. | MUTUAL FUNDS/UTI | 0 | 600 | 600 | 0.0073 | 0 | 600 | 600 | 0.0073 | 0.0000 |
| b. | FINANCIAL INSTITUTIONS/BANKS | 607500 | 0 | 607500 | 7.4335 | 607500 | 0 | 607500 | 7.4335 | 0.0000 |
| c. | CENTRAL GOVERNMENT/STATE GOVERNMENT(S) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | VENTURE CAPITAL FUNDS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| e. | INSURANCE COMPANIES | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| f. | FOREIGN INSTITUTIONAL INVESTORS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| g. | FOREIGN VENTURE CAPITAL INVESTORS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| h. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | SUB - TOTAL (B)(1) | 607500 | 600 | 608100 | 7.4409 | 607500 | 600 | 608100 | 7.4409 | 0.0000 |



| | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|----|---|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 2. | NON-INSTITUTIONS | | | | | | | | | |
| a. | BODIES CORPORATE | 9752 | 30000 | 39752 | 0.4864 | 14585 | 30000 | 44585 | 0.5455 | 0.0591 |
| b. | INDIVIDUALS - | | | | | | | | | |
| | I. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH | 287413 | 883645 | 1171058 | 14.3294 | 327859 | 837545 | 1165404 | 14.2603 | -0.0691 |
| | II. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH | 224990 | 243700 | 468690 | 5.7350 | 264978 | 204000 | 468978 | 5.7385 | 0.0035 |
| c. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | ANY OTHER | | | | | | | | | |
| | HINDU UNDIVIDED FAMILIES | 2000 | 0 | 2000 | 0.0244 | 2000 | 0 | 2000 | 0.0244 | 0.0000 |
| | | 2000 | 0 | 2000 | 0.0244 | 2000 | 0 | 2000 | 0.0244 | 0.0000 |
| | SUB - TOTAL (B)(2) | 524155 | 1157345 | 1681500 | 20.5754 | 609955 | 1071545 | 1681500 | 20.5754 | 0.0000 |
| | TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2) | 1131655 | 1157945 | 2289600 | 28.0163 | 1217455 | 1072145 | 2289600 | 28.0163 | 0.0000 |
| | TOTAL (A)+(B) | 6790365 | 1381995 | 8172360 | 100.0000 | 6876165 | 1296195 | 8172360 | 100.0000 | 0.0000 |
| C. | SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED | | | | | | | | | |
| | Promoter and Promoter Group | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Public | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | TOTAL CUSTODIAN (C) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | GRAND TOTAL (A)+(B)+(C) | 6790365 | 1381995 | 8172360 | 100.0000 | 6876165 | 1296195 | 8172360 | 100.0000 | 0.0000 |

ii) Shareholding of promoters

Name of the Company : MARIS SPINNERS LIMITED

| S.No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year | Pledged Shares at beginning of the year | Pledged Shares at end of the year |
|-------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|---|-----------------------------------|
| | | No. of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | | | |
| 1 | ANANDKUMAR RENGASWAMY | 998000 | 12.2118 | 0.0000 | 998000 | 12.2118 | 0.0000 | 0.0000 | 0 | 0 |
| 2 | ANANDKUMAR RENGASWAMY - HUF | 790360 | 9.6711 | 0.0000 | 790360 | 9.6711 | 0.0000 | 0.0000 | 0 | 0 |
| 3 | T. RAGHURAMAN | 700040 | 8.5659 | 0.0000 | 700040 | 8.5659 | 0.0000 | 0.0000 | 0 | 0 |
| 4 | M RENGASWAMY | 643720 | 7.8767 | 0.0000 | 643720 | 7.8767 | 0.0000 | 0.0000 | 0 | 0 |
| 5 | T. JAYARAMAN-HUF | 458900 | 5.6152 | 0.0000 | 458900 | 5.6152 | 0.0000 | 0.0000 | 0 | 0 |
| 6 | T. JAYARAMAN | 448525 | 5.4883 | 0.0000 | 448525 | 5.4883 | 0.0000 | 0.0000 | 0 | 0 |
| 7 | T RAGHURAMAN-HUF | 445100 | 5.4464 | 0.0000 | 445100 | 5.4464 | 0.0000 | 0.0000 | 0 | 0 |
| 8 | "MARIS HOTELS AND THEATRES PRIVATE "LIMITED" | 325000 | 3.9768 | 0.0000 | 325000 | 3.9768 | 0.0000 | 0.0000 | 0 | 0 |
| 9 | G. RAVINDRAN | 249600 | 3.0541 | 0.0000 | 249600 | 3.0541 | 0.0000 | 0.0000 | 0 | 0 |
| 10 | J KARTHIK NARAYAN | 217715 | 2.6640 | 0.0000 | 217715 | 2.6640 | 0.0000 | 0.0000 | 0 | 0 |
| 11 | M RENGASWAMY-HUF | 209500 | 2.5635 | 0.0000 | 209500 | 2.5635 | 0.0000 | 0.0000 | 0 | 0 |
| 12 | S. GEETANJALI | 199050 | 2.4356 | 0.0000 | 199050 | 2.4356 | 0.0000 | 0.0000 | 0 | 0 |
| 13 | T. KAMALA | 152250 | 1.8629 | 0.0000 | 152250 | 1.8629 | 0.0000 | 0.0000 | 0 | 0 |
| 14 | SUBHADRA ALLOYS PRIVATE LIMITED | 25000 | 0.3058 | 0.0000 | 25000 | 0.3058 | 0.0000 | 0.0000 | 0 | 0 |
| 15 | KRITHYA JAYARAMAN | 20000 | 0.2447 | 0.0000 | 20000 | 0.2447 | 0.0000 | 0.0000 | 0 | 0 |

MARIS SPINNERS LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Name of the Company : MARIS SPINNERS LIMITED

| S.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | ANANDKUMAR RENGASWAMY | | | | |
| | At the beginning of the year 01-Apr-2016 | 998000 | 12.2118 | 998000 | 12.2118 |
| | At the end of the Year 31-Mar-2017 | 998000 | 12.2118 | 998000 | 12.2118 |
| 2 | ANANDKUMAR RENGASWAMY - HUF | | | | |
| | At the beginning of the year 01-Apr-2016 | 790360 | 9.6711 | 790360 | 9.6711 |
| | At the end of the Year 31-Mar-2017 | 790360 | 9.6711 | 790360 | 9.6711 |
| 3 | T RAGHURAMAN | | | | |
| | At the beginning of the year 01-Apr-2016 | 700040 | 8.5659 | 700040 | 8.5659 |
| | At the end of the Year 31-Mar-2017 | 700040 | 8.5659 | 700040 | 8.5659 |
| 4 | M RENGASWAMY | | | | |
| | At the beginning of the year 01-Apr-2016 | 643720 | 7.8767 | 643720 | 7.8767 |
| | At the end of the Year 31-Mar-2017 | 643720 | 7.8767 | 643720 | 7.8767 |
| 5 | T. JAYARAMAN - HUF | | | | |
| | At the beginning of the year 01-Apr-2016 | 458900 | 5.6152 | 458900 | 5.6152 |
| | At the end of the Year 31-Mar-2017 | 458900 | 5.6152 | 458900 | 5.6152 |
| 6 | T. JAYARAMAN | | | | |
| | At the beginning of the year 01-Apr-2016 | 448525 | 5.4883 | 448525 | 5.4883 |
| | At the end of the Year 31-Mar-2017 | 448525 | 5.4883 | 448525 | 5.4883 |
| 7 | T RAGHURAMAN -HUF | | | | |
| | At the beginning of the year 01-Apr-2016 | 445100 | 5.4464 | 445100 | 5.4464 |
| | At the end of the Year 31-Mar-2017 | 445100 | 5.4464 | 445100 | 5.4464 |
| 8 | "MARIS HOTELS AND THEATRES PRIVATE "LIMITED" | | | | |
| | At the beginning of the year 01-Apr-2016 | 325000 | 3.9768 | 325000 | 3.9768 |
| | At the end of the Year 31-Mar-2017 | 325000 | 3.9768 | 325000 | 3.9768 |
| 9 | G. RAVINDRAN | | | | |
| | At the beginning of the year 01-Apr-2016 | 249600 | 3.0541 | 249600 | 3.0541 |
| | At the end of the Year 31-Mar-2017 | 249600 | 3.0541 | 249600 | 3.0541 |
| 10 | J KARTHIK NARAYAN | | | | |
| | At the beginning of the year 01-Apr-2016 | 217715 | 2.6640 | 217715 | 2.6640 |
| | At the end of the Year 31-Mar-2017 | 217715 | 2.6640 | 217715 | 2.6640 |
| 11 | M RENGASWAMY - HUF | | | | |
| | At the beginning of the year 01-Apr-2016 | 209500 | 2.5635 | 209500 | 2.5635 |
| | At the end of the Year 31-Mar-2017 | 209500 | 2.5635 | 209500 | 2.5635 |
| 12 | S GEETANJALI | | | | |
| | At the beginning of the year 01-Apr-2016 | 199050 | 2.4356 | 199050 | 2.4356 |
| | At the end of the Year 31-Mar-2017 | 199050 | 2.4356 | 199050 | 2.4356 |
| 13 | T KAMALA | | | | |
| | At the beginning of the year 01-Apr-2016 | 152250 | 1.8629 | 152250 | 1.8629 |
| | At the end of the Year 31-Mar-2017 | 152250 | 1.8629 | 152250 | 1.8629 |
| 14 | SUBHADRA ALLOYS PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2016 | 25000 | 0.3058 | 25000 | 0.3058 |
| | At the end of the Year 31-Mar-2017 | 25000 | 0.3058 | 25000 | 0.3058 |
| 15 | KRITHYA JAYARAMAN | | | | |
| | At the beginning of the year 01-Apr-2016 | 20000 | 0.2447 | 20000 | 0.2447 |
| | At the end of the Year 31-Mar-2017 | 20000 | 0.2447 | 20000 | 0.2447 |



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of the Company : MARIS SPINNERS LIMITED

| S.No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | ICICI BANK LTD | | | | |
| | At the beginning of the year 01-Apr-2016 | 400000 | 4.8945 | 400000 | 4.8945 |
| | At the end of the Year 31-Mar-2017 | 400000 | 4.8945 | 400000 | 4.8945 |
| 2 | THE KARUR VYSYA BANK LTD | | | | |
| | At the beginning of the year 01-Apr-2016 | 207500 | 2.5390 | 207500 | 2.5390 |
| | At the end of the Year 31-Mar-2017 | 207500 | 2.5390 | 207500 | 2.5390 |
| 3 | RAJESH NATHMAL KABRA | | | | |
| | At the beginning of the year 01-Apr-2016 | 152080 | 1.8609 | 152080 | 1.8609 |
| | At the end of the Year 31-Mar-2017 | 152068 | 1.8607 | 152068 | 1.8607 |
| 4 | UMAPRIYADARSHINI N | | | | |
| | At the beginning of the year 01-Apr-2016 | 50000 | 0.6118 | 50000 | 0.6118 |
| | At the end of the Year 31-Mar-2017 | 50000 | 0.6118 | 50000 | 0.6118 |
| 5 | B S SRIDHAR | | | | |
| | At the beginning of the year 01-Apr-2016 | 63700 | 0.7794 | 63700 | 0.7794 |
| | At the end of the Year 31-Mar-2017 | 64000 | 0.7831 | 64000 | 0.7831 |
| 6 | SRIDHAR B S | | | | |
| | At the beginning of the year 01-Apr-2016 | 10000 | 0.1223 | 10000 | 0.1223 |
| | At the end of the Year 31-Mar-2017 | 10000 | 0.1223 | 10000 | 0.1223 |
| 7 | A PRAKASH | | | | |
| | At the beginning of the year 01-Apr-2016 | 27500 | 0.3365 | 27500 | 0.3365 |
| | At the end of the Year 31-Mar-2017 | 27500 | 0.3365 | 27500 | 0.3365 |
| 8 | UDHANI SANJAY SURESHKUMAR JT1 : AYUSHI SANJAY UDHANI | | | | |
| | At the beginning of the year 01-Apr-2016 | 21560 | 0.2638 | 21560 | 0.2638 |
| | At the end of the Year 31-Mar-2017 | 21560 | 0.2638 | 21560 | 0.2638 |
| 9 | PRASHANT BHANSALI JT1 : VEENA BHANSALI | | | | |
| | At the beginning of the year 01-Apr-2016 | 20000 | 0.2447 | 20000 | 0.2447 |
| | At the end of the Year 31-Mar-2017 | 0 | 0 | 0 | 0 |
| 10 | VEENA BHANSALI JT1 : PRASHANT BHANSALI | | | | |
| | At the beginning of the year 01-Apr-2016 | 20000 | 0.2447 | 20000 | 0.2447 |
| | At the end of the Year 31-Mar-2017 | 0 | 0 | 0 | 0 |
| 11 | CHAMPA DEVI | | | | |
| | At the beginning of the year 01-Apr-2016 | 20000 | 0.2447 | 20000 | 0.2447 |
| | At the end of the Year 31-Mar-2017 | 20000 | 0.2447 | 20000 | 0.2447 |

MARIS SPINNERS LIMITED

(v) Shareholding of Directors and Key Managerial Personnel:

| S.No. | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-------|--|------|--------|---|-------------------|---|-------------------|
| | | | | No. of Shares | % of total shares | No. of Shares | % of total shares |
| 1 | Name | | | | | | |
| | At the beginning of the year | | | | 0.00% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | At the end of the year | | | | 0.00% | | 0.00% |
| 2 | Name | | | | | | |
| | At the beginning of the year | | | | 0.00% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | At the end of the year | | | | 0.00% | | 0.00% |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/acrued but not due for payment.

(Amt. Rs./Lakh)

| S.No. | Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|------------------------------|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | | |
| i) | Principal Amount | 4,253.51 | 389.75 | - | 4,643.26 |
| ii) | Interest due but not paid | - | - | - | - |
| iii) | Interest accrued but not due | - | - | - | - |
| | Total (i+ii+iii) | 4,253.51 | 389.75 | - | 4,643.26 |
| Change in Indebtedness during the financial year | | | | | |
| * | Addition | 58.38 | - | - | 58.38 |
| * | Reduction | - | - | - | - |
| | Net Change | 58.38 | - | - | 58.38 |
| Indebtedness at the end of the financial year | | | | | |
| i) | Principal Amount | 4,311.89 | 389.75 | - | 4,701.64 |
| ii) | Interest due but not paid | - | - | - | - |
| iii) | Interest accrued but not due | - | - | - | - |
| | Total (i+ii+iii) | 4,311.89 | 389.75 | - | 4,701.64 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| S.No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount (Rs./Lakh) |
|-------|---|-------------------------|-------------------------|
| | Name | ANANDKUMAR RENGASWAMY | |
| | Designation | MANAGING DIRECTOR | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | 25.50 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | - |
| 2 | Stock Option | | - |
| 3 | Sweat Equity | | - |
| 4 | Commission - as % of profit - others, specify | | - - |
| 5 | Others, please specify | | - |
| | Total (A) Ceiling as per the Act | | 25.50 |



B. Remuneration to other Directors

| S.No. | Particulars of Remuneration | Name of Directors | | | Total Amount (Rs./Lakh) |
|-------|--|-------------------|---|---|-------------------------|
| 1 | Independent Directors | - | - | - | - |
| | Fee for attending board committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (1) | - | - | - | - |
| 2 | Other Non-Executive Directors | | | | |
| | Fee for attending board committee meetings | | | | |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B)=(1+2) | - | - | - | - |
| | Total Managerial Remuneration | - | - | - | 25.50 |
| | Overall Ceiling as per the Act | | | | |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| S.No. | Particulars of Remuneration | Name of Key Managerial Personnel | | | Total Amount (Rs./Lakh) |
|-------|---|----------------------------------|-----|-----|-------------------------|
| | | Name | CEO | CFO | |
| | | Designation | | | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | - | - | - |
| 2 | Stock Option | | - | - | - |
| 3 | Sweat Equity | | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | | - | - | - |
| | - others, specify | | - | - | - |
| 5 | Others, please specify | | - | - | - |
| | Total | | - | - | - |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING 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 | | | | | |
| Penalty | | NA | NA | NA | NA |
| Punishment | | NA | NA | NA | NA |
| Compounding | | NA | NA | NA | NA |
| B. DIRECTORS | | | | | |
| Penalty | | NA | NA | NA | NA |
| Punishment | | NA | NA | NA | NA |
| Compounding | | NA | NA | NA | NA |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | NA | NA | NA | NA |
| Punishment | | NA | NA | NA | NA |
| Compounding | | NA | NA | NA | NA |

Place : Chennai
Date : 30.05.2017

FOR MARIS SPINNERS LIMITED
ANANDKUMAR RENGASWAMY
Managing Director

T. JAYARAMAN
Director

K.V.S. RAGHAVAN
Company Secretary

MARIS SPINNERS LIMITED

Annexure B to the Report of the Board of Directors

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

Form No. MR-3

(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,
Maris Spinners Ltd

CIN: L93090TN1979PLC032618
11, Cathedral Road,
Chennai - 600086.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Maris Spinners Ltd** (CIN: L93090TN1979PLC032618) (hereinafter called "the Company") **during the financial year from April 1, 2016 to March 31, 2017** ("the year" / "audit period" / "period under review"). We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on our verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the year as well as after March 31, 2017 but before the issue of this report and the information provided by the Company, its officers, agents and authorized representatives during our conduct of the Secretarial Audit.

1. We hereby report that:

1.1. In our opinion, during the audit period covering the financial year ended on March 31, 2017, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter of even date annexed to this report as Annexure - A.

1.2. We have examined the books, papers, minute books and other records maintained by the Company and information filed or disseminated during the year according to the applicable provisions/ clauses of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) Companies Act, 1956 (to the extent applicable).
- (iii) Securities Contracts (Regulation) Act, 1956("SCRA") and the rules made thereunder.
- (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto May 14, 2015);
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (applicable from May 15, 2015);
 - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
 - (f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable from December 1, 2015);



- (vi) The listing agreements entered into by the Company with the BSE Limited.
- (vii) Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings. NOT APPLICABLE
- (viii) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India (applicable from July 1, 2015).

1.3. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2017 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information and explanations furnished to us:

- (i) Complied with the applicable provisions/clauses of the Acts, Rules, Regulations, and Agreements mentioned under paragraph 1.2 (i) to (vii) above; Except -

The following forms have been filed late with additional filing fees.

| SL.NO | FORM. NO | SRN.NO. | ROC FEES | CREATION/ APPROVAL DATE | DUE DATE | DATE OF FILING |
|-------|---------------------------------------|-----------|----------|----------------------------|------------|-------------------|
| 1. | CHG - 1 | G12042305 | 6600 | 22/09/2016 | 23/04/2016 | 22/09/2016 |
| 2. | MGT - 14 (ADOPTION OF ACCOUNTS) | G12052122 | 4200 | 22/09/2016 | 29/06/2016 | 22/09/2016 |
| 3. | ADT-1 | G14493761 | 1200 | 13/10/2016 | 01/10/2016 | 13/10/2016 |
| 4. | CRA-4 | G14748453 | 6600 | 14/10/2016 | 03/10/2016 | 14/10/2016 |

And

- (ii) Generally complied with applicable Secretarial Standards mentioned under paragraph 1.2 (viii) above.

1.4. **We are informed that, during/in respect of the year:**

- (i) The Company was not required to comply with the following laws / guidelines / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms / returns under:
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;
 - Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (ii) The laws as are applicable specifically to the Company are as under:
- Textile (Development and Regulation) Order 2001 issued under Section No. 3 of the Essential commodities Act, 1955.
 - Factories Act, 1960
 - Local Laws as applicable to various plants and office.

MARIS SPINNERS LIMITED

2. We further report that:

2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director.

2.2 Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meeting was sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings:

- (i) Supplementary agenda notes and Annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
- (ii) Additional subjects / information and supplementary notes.

2.3 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. We are 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.

3. We further report that:

3.1 There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

3.2 We further report that during the Audit period:

Mr. A.Harigovind was appointed as an Additional Director cum Chief Finance Officer and necessary forms have been filed with Registrar of Companies.

3.3 The Company has not made alterations to the Articles of Association/Memorandum of Association of the Company.

Other than the aforesaid there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc referred to above.

Place : Chennai
Date : 30.05.2017

For **N. Sridharan and Associates**
Company Secretaries
N.SRIDHARAN
Membership No: F1646
Certificate of Practice No: 7469



Annexure - C to Secretarial Audit Report of even date

To,
The Members,
Maris Spinners Ltd
CIN: L93090TN1979PLC032618
11, Cathedral Road,
Chennai - 600086.

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2017 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2017 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.
5. We have verified that secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai
Date : 30.05.2017

For **N. Sridharan and Associates**
Company Secretaries
N.SRIDHARAN
Membership No: F1646
Certificate of Practice No: 7469

MARIS SPINNERS LIMITED

REPORT ON CORPORATE GOVERNANCE IN COMPLIANCE OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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 complied with the requirements of Corporate Governance as mandated by SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 (Clause 49 of the erstwhile Listing Agreement executed with the Stock Exchange) (Listing Regulations) as detailed below for the year ended 31st March 2017.

The report on Corporate Governance covers the following:

- i. Board of Directors
- ii. Committees of the Board
- iii. General 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 8 (Eight) and its composition is as follows:

| | |
|--|----------|
| Executive Promoter Directors | 5 |
| Non-Executive Independent Directors | 3 |

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 May 2016, 30th July 2016, 18th August 2016, 16th September 2016, 31st October 2016** and **31st January 2017**.

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 16.09.2016 | No. of other Companies in which they are Directors | No. of other Committees (other than this Company) in which Chairman / Members |
|--|---|-----------------------------------|--|---|
| Executive Promoter Directors | | | | |
| Sri.M.Rengaswamy | 5 | Yes | 5 | NONE |
| Sri.Anandkumar Rengaswamy | 6 | Yes | 9 | NONE |
| Sri.T.Jayaraman | 6 | Yes | 9 | NONE |
| Sri. T.Raghuraman | 6 | Yes | 4 | NONE |
| Smt. T. Kamala | 6 | No | 0 | NONE |
| Sri. A.Harigovind | 1 | NA | 2 | NONE |
| Non-Executive Independent Directors | | | | |
| Sri.S.Venkataramani | 5 | Yes | 6 | NONE |
| Sri.S.Srivatsan | 6 | Yes | NONE | NONE |
| Sri.Premal H.Udani | 6 | Yes | 13 | NONE |



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, 2013 and the Listing Regulations as executed with the Stock Exchanges. The said Committee comprises the following Director's as members:

- (a) Sri. S.Venkataramani – Chairman
- (b) Sri. S.Srivatsan
- (c) Sri. Premal H.Udani

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 Audit Committee Meetings were held viz., on **30th May 2016, 30th July 2016, 18th August 2016, 16th September 2016, 31st October 2016** and **31st January 2017**, 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 | 5 |
| Sri. S.Srivatsan | 6 | 6 |
| Sri. Premal H.Udani | 6 | 6 |

2. STAKE HOLDERS RELATIONSHIP 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 | 5 |
| Sri. S.Srivatsan | 6 | 6 |
| Sri. Premal H.Udani | 6 | 6 |

MARIS SPINNERS LIMITED

3. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted Remuneration Committee under the Chairmanship of Sri.S.Venkataramani (Non-Executive Independent Director) to look after revision of remuneration etc., During the financial year four 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 | 5 |
| Sri. S.Srivatsan | 6 | 6 |
| Sri. Premal H.Udani | 6 | 6 |

Mr. K V S Raghavan, is the Compliance Officer of the Company.

iii. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Date & Time : Friday, 22nd September 2017, 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 results will be announced as per tentative schedule.

| | |
|---------------------------------------|----------------|
| 1st quarter ending June 30, 2017 | September 2017 |
| 2nd quarter ending September 30, 2017 | October 2017 |
| 3rd quarter ending December 31, 2017 | January 2018 |
| 4th quarter ending March 31, 2018 | May 2018 |

CIN : **L93090TN1979PLC032618**

c. Date of Book Closure : 16.09.2017 to 22.09.2017 (both the days inclusive)

d. Listing of Stock Exchanges : The Stock Exchange, Mumbai The Annual Listing Fees for the period 1st April 2017 to 31st March 2018 has 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.



DETAILS OF GENERAL BODY MEETING

Particulars of the AGM of the Company for the past three years are as follows:

| YEAR | DATE | TIME | VENUE |
|------|------------|----------|--|
| 2014 | 12.09.2014 | 9.30 A M | HOTEL MARIS 11, CATHEDRAL ROAD CHENNAI – 600 086 |
| 2015 | 18.09.2015 | 9.30 A M | HOTEL MARIS 11, CATHEDRAL ROAD CHENNAI – 600 086 |
| 2016 | 16.09.2016 | 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

g. Distribution of shareholding as on March 31, 2017.

| Share or Debenture holding | Share / Debenture holders | | Share / Debenture holdings | |
|----------------------------|---------------------------|---------------|----------------------------|---------------|
| | Shares | Number | % of total | Shares |
| 001 – 100 | 66 | 5.50 | 3245 | 0.04 |
| 101 – 500 | 718 | 59.78 | 274122 | 3.35 |
| 501 – 1000 | 192 | 15.99 | 177763 | 2.18 |
| 1001 – 2000 | 68 | 5.66 | 109511 | 1.34 |
| 2001 – 3000 | 55 | 4.58 | 141201 | 1.73 |
| 3001 – 4000 | 6 | 0.50 | 22841 | 0.28 |
| 4001 – 5000 | 25 | 2.08 | 123639 | 1.51 |
| 5001 – 10000 | 38 | 3.16 | 353300 | 4.32 |
| 10001 – And Above | 33 | 2.75 | 6966738 | 85.25 |
| Total | 1201 | 100.00 | 8172360 | 100.00 |

h. Category of Shareholding as on March 31, 2017

| CATEGORY | NO OF SHAREHOLDERS | NO OF SHARES | % OF SHAREHOLDING |
|--|--------------------|----------------|-------------------|
| Resident – Ordinary | 1153 | 1634382 | 20.00 |
| Resident – HUF | 5 | 2533 | 0.03 |
| Corporate Body – Domestic | 14 | 39001 | 0.48 |
| Corporate Body – Group Company | 3 | 350000 | 4.28 |
| Mutual Funds | 1 | 600 | 0.01 |
| Corporate Body-Others | 1 | 600 | 0.01 |
| Corporate Body-Margin account | 5 | 4164 | 0.05 |
| Corporate Body-CM/TM-Client Margin a/c | 4 | 820 | 0.01 |
| Bank - Others | 2 | 607500 | 7.43 |
| Promoters | 12 | 5283160 | 64.65 |
| Person Act in concert | 1 | 249600 | 3.05 |
| Total | 1201 | 8172360 | 100.00 |

MARIS SPINNERS LIMITED

i. Dematerialization of shares and liquidity : The Company shares were dematerialized.
As on 31st March 2017, **84.14%** of shares constituting the paid up Capital has been dematerialized.

j. Demat ISIN Number : INE866D01010

k. **Market Price Data (IN Rs.)**

| Month/Year | Bombay Stock Exchange (BSE) | | |
|----------------|-----------------------------|-----------|--------|
| | High Price | Low Price | Volume |
| April 2016 | 10.00 | 10.00 | 2000 |
| May 2016 | 13.80 | 10.50 | 1352 |
| June 2016 | 18.76 | 14.49 | 4005 |
| July 2016 | 25.50 | 19.65 | 10418 |
| August 2016 | 33.95 | 26.75 | 9700 |
| September 2016 | 33.00 | 24.30 | 7101 |
| October 2016 | 28.45 | 23.50 | 1011 |
| November 2016 | 35.75 | 27.20 | 5269 |
| December 2016 | 31.35 | 28.55 | 22 |
| January 2017 | 32.90 | 27.00 | 4530 |
| February 2017 | 28.25 | 25.55 | 5480 |
| March 2017 | 32.75 | 27.30 | 5554 |

l. 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 : K V S RAGHAVAN
Contact person : Compliance Officer
E Mail: investor@maris.co.in
Web: www.maris.co.in



iv. OTHER 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 2017.
- 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 entered into any transactions of material nature with its Promoters, the Directors of Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company. Further, details of general related party transactions are given in the Balance Sheet.
- f. **Whistle Blower Policy**
The Company has adopted the Whistle Blowers Policy as per the listing regulation pursuant to which, employees of the Company can raise their concerns relating to fraud, mal-practice or any other activities or event detrimental to the interest of the Company.
- g. The Company has generally complied with the mandatory disclosure requirements under Clause 17 of the Listing Regulation executed with the Stock Exchanges.

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.
- c) The Company has a dedicated web site and is being updated periodically with latest information.
- d) All disclosures and communications to the BSE Limited (BSE) are filed electronically to the designated portals.
- e) A centralized web based complaints redressal system (SEBI - Scores) which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ARTs) by the concerned companies and the investors can view the action taken on the complaint and its current status.
- f) The company has filed all the necessary documents periodically with the MCA & the Company has also filed its Annual Financial Statements on MCA through XBRL.

Annexure-D

NOMINATION AND REMUNERATION POLICY

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of 'the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

MARIS SPINNERS LIMITED

Definitions:

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income tax Act, 1961;

“**Key Managerial Personnel**” means:

- I. Managing Director, or Chief Executive Officer or Manager and in their absence, a Wholetime Director;
- II. Chief Financial Officer;
- III. Company Secretary; and
- IV. Such other officer as may be prescribed.

“**Senior Managerial Personnel**” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Objective:

The objective of the policy is to ensure

- that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

Constitution of the Committee

The Board has constituted the “Nomination and Remuneration Committee” of the Board

The Board has authority to reconstitute this Committee from time to time.

Role of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director’s performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.



Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required.

Committee Members' Interests

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.

TERM / TENURE

a) Managing Director/Wholetime

Director:

The Company shall appoint or re appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding three years at a time. No re appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director may hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as Whole time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

MARIS SPINNERS LIMITED

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

- 1) Remuneration to Managing Director / Whole time Directors:
 - a. The Remuneration/ Commission etc. to be paid to Managing Director / Wholetime Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole time Directors.
- 2) Remuneration to Non Executive / Independent Directors:
 - a. The Non Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
 - b. All the remuneration of the Non Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
 - c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
 - d. Any remuneration paid to Non Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i. The Services are rendered by such Director in his capacity as the professional; and
 - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
 - e. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).
- 3) Remuneration to Key Managerial Personnel and Senior Management:
 - a. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.



- b. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- d. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

POLICY REVIEW

This policy shall be reviewed by the Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or the modifications on the policy as recommended by the Committee would be given for the approval of the Board of Directors.

CRITERIA FOR EVALUATION

Criteria for Evaluation of the Board and Non – Independent Directors at a separate meeting of the Independent Directors

- a) Composition of the Board and availability of multi – disciplinary skills
Whether the Board comprises of Directors with sufficient qualifications and experience in diverse fields to make the company a pioneer in its area of operations.
- b) Commitment to good corporate governance practices
 - 1. Whether the company practises high ethical and moral standards
 - 2. Whether the company is fair and transparent in all its dealings with stake holders
- c) Adherence to regulatory compliance
Whether the company adheres to the various government regulations, local, state and central in time.
- d) Track record of financial performance
Whether the company has been consistently recording satisfactory and profitable financial performance year on year adding to shareholder value. Whether the company is transparent in all its disclosures on financial data
- e) Grievance Redressal mechanism
Whether a proper system is in place to attend to the complaints/grievances from the shareholders, depositors, customers, employees and others quickly and fairly.
- f) Existence of integrated Risk Management system
Whether the company has an integrated risk management system to cover the business risks.
- g) Use of modern technology
Whether the company has a system for periodical technology up gradation in respect of IT hardware/software, production processes and engineering, designing capabilities, innovation and increasing its technology deployment to meet the requirements of its customers in various industry segments.

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h) Commitment to CSR

Whether the company is committed to social causes and CSR and whether there is a system to identify, finance and monitor such social activities

Criteria for evaluation of Chairman at separate meeting of Independent Directors

- a) Leadership qualities
- b) Standard of integrity
- c) Understanding of Macro & micro economic and industry trends
- d) Public relations
- e) Future vision and innovation

Criteria for evaluation of Independent Directors by the entire Board

- a) Qualifications & experience
- b) Standards of integrity
- c) Attendance in Board Meetings/AGM
- d) Understanding of Company's business
- e) Value addition in Board Meetings

Criteria for evaluation of the Audit committee by the Board

- a) Qualification Experience of members
- b) Depth of review of financial performance
- c) Overview of Audit & Inspection
- d) Review of regulatory compliance
- e) Fraud monitoring



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 **Maris Spinners Limited** ("the Company") No 11, Cathedral Road, Chennai - 600 086, which comprises the Balance Sheet as at March 31, 2017, 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 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 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 principles 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 detecting the 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 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.

Auditor's 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 there under.

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 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. 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 financial statements.

Basis for Qualified Opinion

The balances of certain Debtors and Creditors as well as advances given to and received from parties are subject to confirmation as mentioned in Note No.24(g) of Notes forming part of the financial statements. The balances of such parties are subject to reconciliation of differences, if any.

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.

MARIS SPINNERS LIMITED

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, 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 profit for the year ended on that date.
- c) in the case of cash flow statement, the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required under the Companies (Auditor's Report) Order, 2016 ("The Order"), 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 of the matters specified in 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 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 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) There are no financial transactions that have adverse effect on the functioning of the company;
 - f) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
 - g) There are no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
 - h) with respect to the adequacy of internal financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of Companies (Audit and Auditors) Rules, 2014 in our opinion and to 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 except as detailed in Note No.24 (o).
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There are no amounts required to be transferred to Investor Education and Protection Fund.
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 24(n) to the financial statements.

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

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

Place : Bangalore
Date : 30.05.2017



Annexure 'A' to the Independent Auditors' Report

The Annexure A referred to in the Independent Auditor's Report to the members of Maris Spinners Limited for the year ended on March 31, 2017.

We report that:

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- b) According to the information and explanation given to us and in our opinion the management has carried out physical verification of Fixed Assets at reasonable intervals and no material discrepancies have been noticed on such verification;
- c) On the basis of our verification, all the title deeds of the immovable properties owned by the company are held in the name of the company;
- ii. According to the information and explanation given to us and in our opinion the inventory, has been physically verified at reasonable intervals during the year under review by the management and no material discrepancies have been noticed on such verification.
- iii. a) 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, 2013.
- b) As 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, 2013, reporting under sub clause (iii) of paragraph 3 of the Order does not arise.
- iv. According to the information and explanation given to us and in our opinion, there are no loans, investments, guarantees and security granted by the company which attracts provisions of section 185 and 186 of the Companies Act, 2013;
- v. The Company has not accepted deposits and hence reporting under sub-clause (v) of paragraph 3 of the Order does not arise;
- vi. We have reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under section 148(1) of the Companies Act, 2013 for the maintenance of cost records and we are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities except for few marginal delays in remittance of service tax and TDS payable;
- b) According to the information and explanations given to us, there are no undisputed amounts in respect of Income-Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty except VAT and the details of the same is mentioned below:

The Company has been served with a notice of demand by the Assistant Commissioner, Woraiyur Assessment Circle, Trichy, for a sum of Rs.4,00,032/- under the Tamil Nadu VAT Act, 2006, pursuant to the orders passed in this regard, holding that the Company was not eligible to claim input tax credit in respect of interstate sales to the extent mentioned in the said order. The Company is in the process of filing an appeal against the said orders and is confident of getting substantial/complete relief against the said demand and consequently no provision has been made in the books of accounts.

MARIS SPINNERS LIMITED

- viii. According to the information and explanation given to us and on the basis of our examination of the records, the company has not defaulted in the repayment of dues to Banks or financial institutions. As per the information and explanation received, the company has neither availed borrowings from Governments nor issued Debentures and hence, reporting on the repayment of loans to Government or dues to Debenture Holders does not arise;
- ix. The Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. 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 utilised for the purposes for which they were obtained.
- x. According to the information and explanation given to us and in our opinion, no fraud by or on the Company has been noticed or reported during the year under review;
- xi. According to the information and explanation given to us and in our opinion, the Managerial Remuneration paid is in accordance with the provisions of section 197 read with Schedule V of the Companies Act, 2013 and hence reporting under sub-clause (xi) of paragraph 3 of the order does not arise;
- xii. As the Company is not in the nature of Nidhi Company, reporting under sub-clause (xii) of paragraph 3 of the order does not arise;
- xiii. According to the information and explanation given to us and in our opinion, transactions with all the related parties are in compliance with section 177 and 188 of the Companies act 2013 and where applicable, the company has disclosed the details in the financial statements etc., as required by the applicable accounting standards;
- xiv. According to the information and explanation given to us, the company has not made any preferential or private placement of shares or fully or partly convertible debentures during the year under review, reporting under sub-clause (xiv) of paragraph 3 of the order does not arise;
- xv. The company has not entered into any non-cash transactions with directors or persons connected with them and hence reporting under sub-clause (xv) of paragraph 3 of the order does not arise;
- xvi. The company is not engaged in the business of non-banking financial institution. Hence it is not required by the company to obtain registration under section 45-IA of the Reserve Bank Act, 1934.

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

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

Place : Bangalore
Date : 30.05.2017



Annexure 'B' to the Independent 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 **M/s Maris Spinners Limited** ("the Company") No 11, Cathedral Road, Chennai - 600086, as of 31 March 2017 in conjunction with our audit of the 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 authorisations of management and directors of the company; and

MARIS SPINNERS LIMITED

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

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

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

Place : Bangalore
Date : 30.05.2017



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 31-03-2017 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 : 25.05.2017

N. SRIDHARAN
Company Secretary

MARIS SPINNERS LIMITED

CEO CERTIFICATION

To the Board of Directors of Maris Spinners Limited

In Compliance with Regulation 17(8) of the Listing Regulation with the Stock Exchanges I hereby certify that;

- a. I have reviewed financial statements and cash flow statements for the year ended 31st March 2017 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 2016-17, 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 : 30.05.2017

ANANDKUMAR RENGASWAMY
Managing Director

DECLARATION BY THE MANAGING DIRECTOR UNDER PARA D OF SCHEDULE V OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE OF THE CODE OF CONDUCT.

In accordance with Para D of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby confirm that , all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct , as applicable to them, for the financial year ended March 31,2017.

for **MARIS SPINNERS LIMITED**

Place : Chennai
Date : 30.05.2017

ANANDKUMAR RENGASWAMY
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE, DEVELOPMENT AND PRODUCT WISE PERFORMANCE

The Company is in the business of manufacturing of 100% Cotton Yarns, having its units at Hunsur, Mysore Dt., Karnataka and Manapparai, Trichy District, Tamilnadu. The unit supplies its produce to the domestic markets.

2. INDIAN TEXTILE INDUSTRY

The textile industry of India has a very complex structure with a large vertical and horizontal spread. The textile policy of country need to recognize this complexity and to prioritize segments which have potential and those which have problems and need focus.

The Indian textiles industry currently account for over 4% of Country's GDP, 14% of its industrial production and over 12% of exports. With over 35 million workers directly in the industry and another 45 million indirectly in the allied sectors, textile industry continues to be the largest employer in the manufacturing sector of the country. Also, this industry provides employment mostly to uneducated and poor rural workers as well as women.

India is well positioned to withstand near-term headwinds and volatility in global financial markets due to reduced external vulnerabilities, a strengthening domestic business cycle, and a supportive policy environment. Progress on infrastructure improvements and government efforts to boost investment are expected to offset the impact of any tightening of borrowing conditions resulting from tighter U.S. monetary policy. Such investment will also lift potential growth over the medium term. Low international energy prices and domestic energy reforms will ease energy costs for Indian firms that tend to be energy intensive.

3. OPPORTUNITIES AND THREATS

3.1 Opportunities:

Rising disposable income: Rising disposable incomes and evolving lifestyles of India's prospering urban consumer, are broadening their clothing needs. Today, Indians are more inclined to buy apparels for a specific purpose, than consumers in other markets.

Growing exports: India has overtaken Germany and Italy to emerge as the world's second largest textile exporter but lags behind China, whose exports are nearly seven times higher. This presents a huge opportunity for the industry in the coming years.

High industrial growth: Average yearly growth rate for the Indian textile industry ranges around 6-8%. With production costs getting higher in China, it is quite likely for the international players to move into India for meeting their demands. This will allow the industry to grow further in the near future.

Foreign Direct Investment (FDI): The Indian government has positioned the textile industry to be one of the important manufacturing sectors that would lead the country in its quest to become a manufacturing hub. In order to improve the functions and operations of the industry and to ensure industrial growth, the government has allowed 100% FDI in the textile sector. In fact, India's FDI policies are the most liberal and transparent as compared to that of other emerging nations.

3.2 Threats:

Firms in textiles sector are facing following problems in adding capacity due to:

- Non-Availability of Adequate raw materials in terms of quantity and quality and at attractive prices
- Manufacturing Competitiveness across the textile Value Chain
- Lack of Infrastructure
- Shortage of skilled manpower and labour related issues

- Competition
- Uncertainty in market conditions
- Low export demand and uncertainty of economic environment
- Low domestic demand
- Competition from imports
- High financial charges

4. RISKS AND CONCERNS:

- Economic slowdown

Textile as a product is highly dependent on macro-economic scenario of the countries across the world. Any slowdown in the economy might have a direct impact on the operations of the Company.

- Sharp wage Increase and High energy Cost

The Sharp increase in wages in most of the states by more than 20% and high energy cost, cross subsidies, cess and taxes adding additional 20% to energy cost.

- Appreciation in US Dollar

The US dollar has strengthened continuously against the India Rupee other Currencies, due to the turmoil in the China market and recession in the European market. Due to a demand recession across the globe, increasing price in Indian markets has become extremely difficult.

5. OUT LOOK:

India is the 2nd largest global producer of textiles and garments. The textile sector plays a key role in the Indian economy by way of significant contribution to GDP, manufacturing output, employment generation and export earnings.

The Indian economy has witnessed two successive monsoon failures plus damages due to unseasonal rains, which has adversely impacted growth. An expected normal monsoon in fiscal 2017, will give agriculture a growth Kick which will prove good for the Indian economy and should shift upward, the sagging rural demand and overall GDP Growth. To overcome the challenges and competition, we have taken various initiatives to reduce the operational cost, development of new innovative value added products and exploring new market based on certain parameters to achieve better margins in the future.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate internal control system commensurate with the size and complexity of the organization. The Company has undertaken a comprehensive review of all internal control systems to take care of the needs of the expanding size of the Company and also upgraded the IT support systems. A system of internal audit to meet the statutory requirement as well as to ensure proper implementation of management and accounting controls is in place. The Audit Committee periodically reviews the adequacy of the internal audit functions.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

There are no material developments in the Human Resources area. The industrial relations have been generally satisfactory. The Company constantly reviews the man power requirements and has a properly equipped Department to take care of the requirements. The total number of people employed by the Company as on 31.03.2017 was 430



8. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The total Revenue for the year 2016-17 was Rs. 12051.64 lakhs with a profit of Rs. 265.02 lakhs

9. DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of financial statements, no treatment different from that prescribed in Accounting Standard has been followed.

On behalf of the Board of Directors

Place : Chennai

Date : 30.05.2017

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.

MARIS SPINNERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Rs. in Lakh

| Particulars | As at 31.03.2017 | As at 31.03.2017 | As at 31.03.2016 | As at 31.03.2016 |
|--|---------------------|---------------------|---------------------|---------------------|
| Cash flow from Operating Activities | | | | |
| Net Profit before tax | | 298.78 | | 394.79 |
| Adjustments for: | | | | |
| Depreciation | 505.88 | | 493.25 | |
| Interest income | (23.76) | | (37.28) | |
| Other Interest | (12.52) | | (11.26) | |
| (Profit)/ loss on sale of Assets | (0.18) | | (1.17) | |
| Financial Expenses | 473.77 | | 542.08 | |
| Sundry balances written off | – | | 0.10 | |
| | | 943.19 | | 985.73 |
| Operating profit before working capital changes | | 1,241.97 | | 1,380.52 |
| Adjustments for: | | | | |
| Decrease/(Increase) in Trade and other receivables | 26.73 | | 324.71 | |
| Decrease/(Increase) in Other current assets | 348.24 | | 226.01 | |
| Decrease/(Increase) in Inventories | (886.31) | | (815.77) | |
| Decrease/(Increase) in Short Term Loan and Advances | (36.82) | | – | |
| Increase/(Decrease) in trade and other payable | 1,018.19 | | 228.99 | |
| Increase/(Decrease) in Other Current Liabilities | 12.80 | | (207.68) | |
| Increase/(Decrease) in Provisions | (478.18) | | – | |
| Increase/(Decrease) in short term borrowings | 156.61 | | – | |
| Operating activities before tax | | 161.26 | | (243.75) |
| Taxes paid | | 92.82 | | 80.09 |
| Net Cash flow from Operating activities | | 1,310.41 | | 1,056.67 |
| Cash Flows from Investing Activities | | | | |
| Purchase of Fixed Assets | (229.64) | | (197.70) | |
| Purchase of Investments | (6.22) | | (1.21) | |
| Sale of investments | 0.88 | | – | |
| Sale of Fixed Assets | 1.60 | | 5.34 | |
| Capital WIP | (71.85) | | (21.49) | |
| Net Cash flow from Investing activities | | (305.23) | | (215.07) |
| Cash Flows from Financing Activities | | | | |
| Interest Subsidy Received | 23.76 | | 37.28 | |
| Other Interest | 12.52 | | 11.26 | |
| Increase/(Decrease) in Borrowings | (94.32) | | (134.09) | |
| Decrease (increase) in loans and advances) | (362.63) | | (88.04) | |
| Financial Charges | (473.77) | | (542.08) | |
| Dividend Paid | – | | (96.65) | |
| Share premium received | 1.04 | | – | |
| Increase in capital | 1.04 | | – | |
| Net Cash flow from Financing activities | | (892.36) | | (812.32) |
| Net Increase in Cash and Cash Equivalents | | 112.82 | | 29.29 |
| Cash and Cash Equivalents at the beginning of the year | | 41.83 | | 12.54 |
| Cash and Cash Equivalents at the end of the year | | 154.65 | | 41.83 |

AUDITORS' REPORT

We have examined the attached Cash Flow Statement of M/s. MARIS SPINNERS LIMITED, CHENNAI for the year ended 31.03.2017

The Statement has been prepared by the company in accordance with the requirements of Clause 34 of Listing regulation 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

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)

ANANDKUMAR RENGASWAMY

Managing Director

T.JAYARAMAN

Director

K.V.S. RAGHAVAN

Company Secretary

Place : Chennai

Date : 30.05.2017



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

| S/N | PARTICULARS | UNIT I 31.03.2017 | UNIT II 31.03.2017 | CONSOLIDATED | |
|---|---|----------------------|-----------------------|--------------|------------|
| | | | | 31.03.2017 | 31.03.2016 |
| A Power and Fuel Consumption | | | | | |
| 1. | Electricity | | | | |
| a. | Purchased | | | | |
| | Unit | 13654750 | 10710189 | 24364939 | 2479517 |
| | Total Amount – Rs. | 89467531 | 64042079 | 153509610 | 159562614 |
| | Rate per Unit | 6.552 | 5.980 | 6.30 | 6.43 |
| b. | Own Generation through Diesel Generator | | | | |
| | Unit | 191457 | 84674 | 276131 | 410380 |
| | Unit per litre Diesel | 3.230 | 3.090 | 3.19 | 3.30 |
| | Cost/Unit | 14.459 | 18.180 | 15.600 | 14.499 |
| 2. | Coal | – | – | – | – |
| 3. | Furnace Oil | – | – | – | – |
| 4. | Others / Internal Generation | 68,800 | – | 68,800 | – |
| B Consumption per Unit of Production | | | | | |
| | (Standard if any - Nil) | – | – | – | – |
| | Products (with) details unit for Manufacture of cotton yarn. | – | – | – | – |
| | Electricity | 5.478 | 6.574 | 6.132 | 5.57 |
| | Furnace Oil | – | – | – | – |
| | Coal | – | – | – | – |
| | Others | – | – | – | – |

By Order of the Board

Place : Chennai
Date : 30.05.2017

ANANDKUMAR RENGASWAMY
Managing Director

MARIS SPINNERS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

Rs. in Lakh

| PARTICULARS | NOTE NO. | UNIT I | UNIT II | Consolidated As at 31st March 2017 | Consolidated As at 31st March 2016 |
|---|----------|-----------------------|-----------------------|------------------------------------|------------------------------------|
| | | As at 31st March 2017 | As at 31st March 2017 | | |
| I. EQUITY AND LIABILITIES | | | | | |
| 1. Shareholders' funds | | | | | |
| a) Share Capital | 2 | 429.52 | 374.51 | 804.03 | 802.99 |
| b) Reserves and Surplus | 3 | 1,423.05 | 21.51 | 1,444.56 | 1,178.55 |
| 2. Share Application Money Pending Allotment | | | | | |
| 3. Non-current liabilities | | | | | |
| a) Long Term Borrowings | 4 | 349.36 | 713.31 | 1,062.67 | 1,156.99 |
| b) Net Deferred Tax Liability | | 194.99 | (11.30) | 183.70 | 221.33 |
| 4. Current liabilities | | | | | |
| a) Trade Payables | 5 | 1,007.51 | 613.57 | 1,621.08 | 602.89 |
| b) Short Term Borrowings | 6 | 3,453.73 | 185.24 | 3,638.97 | 3,482.36 |
| c) Other Current Liabilities | 7 | 227.37 | 38.12 | 265.49 | 252.69 |
| d) Short Term Provisions | 8 | 158.04 | 94.83 | 252.87 | 637.67 |
| Total | | 7,243.56 | 2,029.79 | 9,273.36 | 8,335.48 |
| II. ASSETS | | | | | |
| 1. Non-current assets | | | | | |
| a) Fixed assets | | | | | |
| i. Tangible Assets | 9 | 2,497.33 | 459.90 | 2,957.23 | 3,234.89 |
| ii. Capital work in progress | | 102.28 | – | 102.28 | 30.43 |
| b) Non-Current Investments | 10 | 6.00 | 0.55 | 6.55 | 1.21 |
| c) Long Term Loans & Advances | 11 | 653.38 | 104.67 | 758.05 | 395.42 |
| 2. Current assets | | | | | |
| a) Inventories | 12 | 2,785.04 | 906.46 | 3,691.50 | 2,805.19 |
| b) Trade Receivables | 13 | 856.52 | 444.84 | 1,301.36 | 1,328.09 |
| c) Cash and Bank Balances | 14 | 141.22 | 13.43 | 154.65 | 41.83 |
| d) Short Term Loans and Advances | 15 | 74.87 | 61.19 | 136.06 | 99.24 |
| e) Other Current Assets | 16 | 126.93 | 38.74 | 165.68 | 399.17 |
| Total | | 7,243.56 | 2,029.79 | 9,273.36 | 8,335.48 |

Summary of significant accounting policies and other Notes to accounts

1

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Integral part of the financial statements

For MARIS SPINNERS LIMITED

ANANDKUMAR RENGASWAMY
Managing Director

T.JAYARAMAN
Director

K.V.S. RAGHAVAN
Company Secretary

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 : 30.05.2017



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

Rs. in Lakh

| PARTICULARS | NOTE NO. | UNIT I | UNIT II | Consolidated as at 31st March 2017 | Consolidated as at 31st March 2016 |
|---|----------|-----------------|-----------------|------------------------------------|------------------------------------|
| Revenue from Operations | 17 | 6,544.70 | 5,228.29 | 11,772.98 | 10,487.38 |
| Other Income | 18 | 271.97 | 6.69 | 278.66 | 253.19 |
| Total Revenue | | 6,816.66 | 5,234.98 | 12,051.64 | 10,740.58 |
| Expenses: | | | | | |
| Cost of materials consumed | 19 | 3,691.71 | 3,241.49 | 6,933.20 | 6,224.07 |
| Purchases of Stock-in-Trade | | | | | |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 20 | 44.06 | 300.35 | 344.41 | (415.99) |
| Employee Benefit Expenses | 21 | 597.33 | 271.33 | 868.66 | 865.52 |
| Finance Cost | 22 | 337.55 | 136.22 | 473.77 | 542.08 |
| Other Expenses | 23 | | | | |
| Direct Manufacturing Expenses | | 1,149.59 | 943.63 | 2,093.22 | 2,181.05 |
| Administrative and Other Expenses | | 374.28 | 159.43 | 533.72 | 455.82 |
| Depreciation and Amortisation Expenses | 9 | 370.80 | 135.08 | 505.88 | 493.25 |
| Total Expenses | | 6,565.33 | 5,187.53 | 11,752.86 | 10,345.79 |
| Profit before Exceptional and extraordinary items and tax (III-IV) | | 251.34 | 47.44 | 298.78 | 394.79 |
| Less: Exceptional items | | - | - | - | - |
| Profit before extraordinary items and tax (V-VI) | | 251.34 | 47.44 | 298.78 | 394.79 |
| Less: Extraordinary Items | | - | - | - | - |
| Profit before Tax | | 251.34 | 47.44 | 298.78 | 394.79 |
| Less: Tax expense | | | | | |
| Current Tax | | 58.48 | 34.89 | 93.37 | 93.93 |
| Less: MAT Credit Entitlement | | - | (21.97) | (21.97) | - |
| Deferred Tax | | (19.15) | (18.49) | (37.64) | (17.90) |
| Profit (Loss) for the Period | | 212.00 | 53.01 | 265.02 | 318.75 |
| Weighted Average Number of Shares | | 4,295,160 | 3,877,200 | 8,172,360 | 8,172,360 |
| Earnings per Equity Share - Basic and Diluted (Rs.) | | 4.94 | 1.37 | 3.24 | 3.90 |

Summary of significant accounting policies
Other Notes to accounts

1 Integral part of the financial statements
24

For MARIS SPINNERS LIMITED

ANANDKUMAR RENGASWAMY
Managing Director

T.JAYARAMAN
Director

K.V.S. RAGHAVAN
Company Secretary

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 : 30.05.2017

MARIS SPINNERS LIMITED

Note - 1: Significant Accounting Policies

a) Basis of preparation and Accounting Assumptions:

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, historical cost convention, on the assumption of going concern, the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 with Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable. These financial statements are presented in Indian rupees.

b) Revenue Recognition:

Revenues are recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenues recognized and expenses accounted are on accrual basis and the amounts determined as payable or receivable during the year except those with significant uncertainties are in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in India and the provisions of the Companies Act, 2013 in India. The sales revenue is recognized net of taxes in the financial statements.

c) Use of Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses and the disclosure relating to contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Any revision to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

d) Fixed Assets:

All expenses including cost of fixed asset and expenses incurred directly or indirectly for bringing the asset to its present location and condition have been capitalized in the books of the company.

e) Depreciation:

Depreciation on fixed assets have been provided based on straight line method on the basis of useful life prescribed as per Schedule-II of the Companies Act, 2013.

f) Foreign Currency Transactions:

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transaction. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as Income or Expense in the year in which they arise.

g) 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.



h) Employee Benefits:

A. Short Term Employee Benefits:

- i) 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.
- ii) The Company has made a provision towards leave encashment and the same has been treated as period cost and charged to Statement of Profit and Loss accordingly.

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 valuation done by Life Insurance Corporation and the same has been treated as period cost and charged to Statement of Profit and loss accordingly.

i) Provision for Taxation:

Current income tax expense comprises taxes on income from operations in India. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961.

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.

j) Earnings per Share:

Basic Earning per Share is computed by dividing net profit for the year attributable to the equity holders of the Company by the weighted average number of common stock outstanding during the period.

k) Current / Non-current classification:

The Schedule III of the Companies Act, 2013 requires assets and liabilities to be classified as Current or Non-current.

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within twelve months after the Balance Sheet date; or
- d) It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

MARIS SPINNERS LIMITED

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in, the entity's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the Balance Sheet date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the revised Schedule III of the Companies Act, 2013.

l) Operating cycle:

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on this, the Company has ascertained less than 12 months as its operating cycle and hence 12 months has been considered for the purpose of current - non-current classification of assets and liabilities.

m) Provisions and Contingent liability:

i. Provisions :

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.

ii. Contingent liability:

Contingent liability includes a possible obligation or a present obligation which cannot be measured accurately or does not involve outflow of resources immediately. These are not accounted for as liability in the Financial Statements and disclosed by way of notes

Notes to the financial statement
Note - 2 - Share capital

Rs. in Lakh

| Particulars | Unit I As at 31st March 2017 | | Unit II As at 31st March 2017 | | Consolidated As at 31st March 2017 | | Consolidated As at 31st March 2016 | |
|--|------------------------------------|----------------|-------------------------------------|----------------|--|----------------|--|----------------|
| | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) |
| Authorised Share Capital | | | | | | | | |
| 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 |
| Issued Share Capital | | | | | | | | |
| 82,95,160 Equity Shares of Rs.10/- each | 82,95,160 | 829.52 | | | 82,95,160 | 829.52 | 82,95,160 | 829.52 |
| Subscribed Share Capital | | | | | | | | |
| 81,72,360 Equity Shares of Rs.10/- each | 81,72,360 | 817.24 | | | 81,72,360 | 817.24 | 81,72,360 | 817.24 |
| Paid up Share Capital | | | | | | | | |
| 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 |
| Less: Calls unpaid | | | | 13.21 | | 13.21 | - | 14.25 |
| Total | 42,95,160 | 429.52 | 38,77,200 | 374.51 | 81,72,360 | 804.03 | 81,72,360 | 802.99 |

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 Lakh

| Particulars | 31st March 2017 | | 31st March 2016 | |
|--|------------------|---------------|------------------|---------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Shares outstanding at the beginning of the year | 8,172,360 | 804.03 | 8,172,360 | 802.99 |
| Shares issued during the year | – | – | – | – |
| Shares bought back during the year | – | – | – | – |
| Shares outstanding at the end of the year | 8,172,360 | 804.03 | 8,172,360 | 802.99 |

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

| Particulars | As at 31st March 2017 | | As at 31st March 2016 | |
|---------------------------|-----------------------|--------------|-----------------------|--------------|
| | No. of Shares held | % of holding | No. of Shares held | % of holding |
| Anandkumar Rengaswamy | 998,000 | 12.22 | 998,000 | 12.22 |
| Anandkumar Rengaswamy HUF | 790,360 | 9.67 | 790,360 | 9.67 |
| M Rengaswamy | 643,720 | 7.88 | 643,720 | 7.88 |
| T Raghuraman | 700,040 | 8.57 | 700,040 | 8.57 |
| T Jayaraman HUF | 458,900 | 5.62 | 458,900 | 5.62 |
| T Jayaraman | 448,525 | 5.49 | 448,525 | 5.49 |
| T Raghuraman HUF | 445,100 | 5.45 | 445,100 | 5.45 |

2.3 "The Company has issued only one class of shares referred to as Equity shares having at 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 a dividend at Rs. 1.00 per share for the year ended 31st March, 2017.

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 other than loans from banks and financial institutions. The distribution will be in proportion to the number of equity shares held by the shareholders.



Note - 3 - Reserves and surplus

Rs. in Lakh

| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| Central Subsidy | | | | |
| Balance at the beginning of the reporting period | 15.00 | – | 15.00 | 15.00 |
| Add: Current Year Transfer | – | – | – | – |
| Balance at the closing of the reporting period | 15.00 | – | 15.00 | 15.00 |
| Generator Subsidy | | | | |
| Balance at the beginning of the reporting period | 8.45 | – | 8.45 | 8.45 |
| Add: Current Year Transfer | – | – | – | – |
| Balance at the closing of the reporting period | 8.45 | – | 8.45 | 8.45 |
| General Reserve | | | | |
| Balance at the beginning of the reporting period | 21.81 | – | 21.81 | 21.81 |
| Add: Current Year Transfer | – | – | – | – |
| Balance at the closing of the reporting period | 21.81 | – | 21.81 | 21.81 |
| Wind Mill Subsidy | | | | |
| Balance at the beginning of the reporting period | 13.50 | – | 13.50 | 13.50 |
| Add: Current Year Transfer | – | – | – | – |
| Balance at the closing of the reporting period | 13.50 | – | 13.50 | 13.50 |
| Securities Premium Account | | | | |
| Balance at the beginning of the reporting period | | 387.72 | 387.72 | 387.72 |
| Less: Premium due on 285000 shares at Rs.5/- | | 13.21 | 13.21 | 14.25 |
| Add: Current Year Transfer | | – | – | – |
| Balance at the closing of the reporting period | | 374.51 | 374.51 | 373.47 |
| Surplus/(Deficit) in the statement of profit and loss | | | | |
| Balance at the beginning of the reporting period | 1,152.29 | (405.96) | 746.33 | 524.22 |
| Add: Profit/(Loss) for the current year | 212.00 | 53.01 | 265.02 | 318.75 |
| Less: Utilised during the year /appropriations | – | – | – | – |
| Proposed Dividend | – | – | – | 80.30 |
| Dividend Distribution Tax | – | – | – | 16.35 |
| Short provision of dividend | – | 0.05 | 0.05 | – |
| Net surplus in the statement of profit and loss | 1,364.30 | (353.00) | 1,011.29 | 746.33 |
| Total of reserves and surplus | 1,423.05 | 21.51 | 1,444.56 | 1,178.55 |

MARIS SPINNERS LIMITED

Note - 4 - Long Term Borrowings

Rs. in Lakh

| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| (a) Bonds/Debentures | | | | |
| * Secured or Unsecured | - | - | - | - |
| (b) Term Loans | | | | |
| Secured | | | | |
| From Banks | | | | |
| Indian Overseas Bank - TUF Loan - I | - | - | - | 93.26 |
| (Secured By Hypothecation of Machineries with exclusive charge) | | | | |
| Terms of Repayment - 84 Monthly Installments of Rs. 10.45 Lakhs | | | | |
| Indian Overseas Bank - TUF Loan - II | - | - | - | 10.44 |
| (Secured By Hypothecation of Machineries with exclusive charge) | | | | |
| Terms of Repayment - 84 Monthly Installments of Rs. 1.17 Lakh | | | | |
| Indian Overseas Bank TUF Loan III | 171.54 | - | 171.54 | 316.16 |
| (Secured By First Charge on Machineries purchased and pari-pasu charged on the building constructed) | | | | |
| Terms of Repayment - 84 Monthly Installments of Rs. 12 Lakh | | | | |
| Indian Overseas Bank TI IV (Windmill) | 174.33 | - | 174.33 | 274.67 |
| (Secured By First Charge on Windmill Installed) | | | | |
| Terms of Repayment - 96 Monthly Installments of Rs. 8.34 Lakhs | | | | |
| HDFC Car Loan | 3.49 | - | 3.49 | 3.49 |
| Secured By Hypothecation of Ford ECO SPORT Car | | | | |
| Terms of Repayment - 60 Monthly Installments of Rs.19,369/- each | | | | |
| Karur Vysya Bank | | | | |
| Karur Vysya Bank - Term Loan II | - | 37.28 | 37.28 | 69.23 |
| Terms of Repayment - 60 monthly installments of Rs.2,66,251/- | | | | |
| Karur Vysya Bank - Term Loan III | - | 286.28 | 286.28 | - |
| Terms of Repayment - 24 monthly installments of Rs.41,667/- | | | | |



Rs. in Lakh

| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| Terms of Repayment - Repayment on Demand Secured By- | | | | |
| 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 I of the Company situated in the Factory at Mysore | | | | |
| Pari Passu Charge on the Land and Building and Fixed Assets of Unit II of the Company situated at Manaparai, Tamilnadu | | | | |
| Unsecured | | | | |
| a. From Related Parties | | | | |
| Sri.T. Raghuraman | – | 50.00 | 50.00 | 50.00 |
| b. From Inter Corporate Deposits | | | | |
| Eternal Enterprises Pvt Ltd | – | 158.75 | 158.75 | 158.75 |
| Southern India Depository Services P Ltd., | – | 145.00 | 145.00 | 145.00 |
| A.A. Foods Private Limited. | – | 36.00 | 36.00 | 36.00 |
| Total of long term borrowings | 349.36 | 713.31 | 1,062.67 | 1,156.99 |

Note - 5 - Other Long Term Liabilities

Rs. in Lakh

| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|----------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| Trade payable | | | | |
| Trade payable | 903.97 | 594.35 | 1,498.31 | 479.40 |
| Other Creditors | 103.54 | 19.23 | 122.77 | 123.49 |
| Total | 1,007.51 | 613.57 | 1,621.08 | 602.89 |

MARIS SPINNERS LIMITED

Note - 6 - Short Term Borrowings

| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| (a) Loan Repayable on Demand | | | | |
| (i) From Banks | | | | |
| Secured: | | | | |
| <u>Open Cash Credit</u> | | | | |
| Indian Overseas Bank, Chennai | 2,075.75 | – | 2,075.75 | 2,308.55 |
| Indian Overseas Bank, Kattemalalavadi | 13.40 | – | 13.40 | 21.03 |
| All the above loans are secured by: | | | | |
| (Stocks of cotton, WIP, Finished goods of yarn / Book Debts by way of first charge on pari passu basis with KVB | | | | |
| Second Charge on fixed assets of Unit II on pari passu basis with other working capital lenders viz. KVB excluding the assets financed by KVB and charged exclusively to them | | | | |
| Additional Equitable Mortagage on the Land and Building of Unit II of the Company situated at Manaparai, Tamilnadu under Pari Passu basis along with Indian Overseas Bank | | | | |
| Personal Guarantee of Sri. Mr.T.Jayaraman (Director) - Individual & HUF, Mr.Anandkumar Rengaswamy (Managing Director), Mr.T.Raghuraman (Director) and T.Kamala (Director). | | | | |
| The Karur Vysya Bank Ltd., Trichy | | | | |
| Working Capital Demand Loan | – | – | – | 330.00 |
| Terms of Repayment - Repayment on Demand | | | | |
| Open Cash Credit | – | 49.65 | 49.65 | 335.67 |
| Karur Vysya Bank - Term Loan I | | | | |
| Terms of Repayment - 48 monthly installments after holiday period of 6 months | – | – | – | 68.75 |
| Karur Vysya Bank - Term Loan II | | | | |
| Terms of Repayment - 60 monthly installments of Rs.2,66,251/- | – | 31.95 | 31.95 | 31.95 |



| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| <p>Karur Vysya Bank - Term Loan III (48 Monthly Installments after a Holiday period of 6 months. Monthly interest to be serviced as and when debited) (First Charge on the Fixed assets of the company at Unit II at Mannapparai and Second charge on the Land and building and other fixed assets of the Unit I of the company situated at Mysore along with Indian Overseas Bank)</p> <p>Common Collateral Security for working capital limits and terms loans availed from Indian Overseas Bank Pari Passu Second Charge on the Land and Buildings and other Fixed Assets of Unit I of the Company situated in the Factory at Hunsur, Mysore District, along with Indian Overseas Bank</p> <p>Additional Equitable Mortgage on the Land and Building of Unit II of the Company situated at Manaparai, Tamilnadu under Pari Passu basis along with Indian Overseas Bank</p> <p>Secured by land admeasuring 21.51 acres located at TS. Nos. 861/pt, 870, 728, 726 part and 725 part of Ootacamund Village owned by Mrs.T Kamala W/o. Mr.Thangavelu, Secured by land admeasuring 21.08 acres located at TS. Nos. 861/pt, 726 part and 723 part of Ootacamund Village owned by Anandkumar Rengaswamy (legal heirs of Mrs.R Meenakshi W/o Mr.M Rengaswamy)</p> | – | 103.65 | 103.65 | – |
| <p>State Bank of India-Warehouse financing (Secured against Raw Cotton stored in warehouse situated at the Mills premises, Hunsur)</p> <p>Personal Guarantee of Directors and Others Personal Guarantee of the promoter Directors (Shri.T.Raghuraman, Shri Anandkumar Rengaswamy, Shri Jayaraman, and Smt. Kamala)</p> | 600.00 | – | 600.00 | – |

MARIS SPINNERS LIMITED

| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| Term Loans Payable within 12 Months Indian Overseas Bank TUF Loan I (Secured By Hypothecation of Machinery with exclusive charge) Terms of Repayment -84 Monthly Installments of Rs. 10.45 Lakhs | 92.21 | – | 92.21 | 125.43 |
| Indian Overseas Bank TUF Loan II (Secured By Hypothecation of Machinery with exclusive charge) Terms of Repayment -84 Monthly Installments of Rs. 1.17 Lakhs | 1.03 | – | 1.03 | 14.04 |
| Indian Overseas Bank TUF Loan III (Secured By Exclusive First Charge on Machineries purchased and pari-pasu charged on the building constructed) Terms of Repayment -84 Monthly Installments of Rs. 12 Lakhs | 144.00 | – | 144.00 | 144.00 |
| Indian Overseas Bank (Windmill) (Secured By Exclusive First Charge on Windmill Installed) Terms of Repayment - 96 Monthly Installments of Rs. 8.34 Lakhs with a holiday of 12 Months | 100.08 | – | 100.08 | 100.08 |
| Common Collateral Security for working capital limits and terms loans availed from Indian Overseas Bank Secured by land admeasuring 21.51 acres located at TS. Nos. 861/pt, 870, 728, 726 part and 725 part of Ootacamund Village and building constructed thereon with a plinth area of 4800 Sq ft owned by Mrs.T Kamala W/o Mr.Thangavelu, Havukal Estate, Kotagiri, Nilgris. Secured by land admeasuring 21.08 acres located at TS. Nos. 861/pt, 726 part and 723 part of Ootacamund Village and building constructed thereon with a plinth area of 4800 Sq ft owned by Anand Kumar Rengaswamy (legal heirs of Mrs.R Meenakshi W/o Mr.M Rengaswamy) | | | | |



| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| Personal Guarantee of Directors and Others The above Long Term Borrowings are also guaranteed by Personal Guarantee of Sri Mr.T.Jayaraman (Director) - Individual & HUF, Mr.Anandkumar Rengaswamy(Director), Mr.T.Raghuraman (Director) and T.Kamala. | | | | |
| HDFC - Ford Eco Sport (Secured By Hypothecation of Ford ECO SPORT Car) Terms of Repayment -60 Monthly Installments of Rs.19,369/- each) | 2.32 | – | 2.32 | 2.32 |
| HDFC Car Loan (Skoda) (Secured By Hypothecation of Skoda Car) (Terms of Repayment - 60 Monthly Installments of Rs. 27022/-) | – | – | – | 0.54 |
| (b) Other Loan and Advances Unsecured: Secured: Cash Credit | – – – | – – – | – – – | – – – |
| HDFC BANK LTD- MYLAPORE [50200020995634] The company has not defaulted in repayment of Principal and Interest on above said loans | 424.92 | – | 424.92 | – |
| Total Short term borrowings | 3,453.73 | 185.24 | 3,638.97 | 3,482.36 |

MARIS SPINNERS LIMITED

Note - 7 - Other Current Liability

Rs. in Lakh

| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| Advance Received from Customers | 200.94 | 0.65 | 201.59 | 200.00 |
| Duties and Taxes | 25.19 | 23.94 | 49.13 | 31.25 |
| Other Current Liabilities | | | | |
| Others | 1.24 | 13.53 | 14.77 | 21.43 |
| Total | 227.37 | 38.12 | 265.49 | 252.69 |

Note - 8 - Short-term provisions

(Rs. in Lakh)

| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 |
| (a) Provision For Employee Benefits | 57.96 | 43.51 | 101.46 | 112.38 |
| (b) Others | | | | |
| Provision for Scheme Batch Lumpsum Payable | – | 13.46 | 13.46 | 10.17 |
| Provision for Income Tax 13-14 | – | – | – | 172.21 |
| Provision for Income Tax 14-15 | 44.52 | 27.32 | 71.84 | 151.93 |
| Provision for Income Tax 15-16 | 0.47 | 0.69 | 1.16 | 93.93 |
| Provision for Income Tax 16-17 | 54.68 | 9.85 | 64.52 | |
| Provision for Wealth Tax 12-13 | 0.42 | – | 0.42 | 0.42 |
| Dividend Payable | – | – | – | 80.30 |
| Dividend Distribution Tax Payable | – | – | – | 16.35 |
| Total | 158.04 | 94.83 | 252.87 | 637.67 |



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

Rs. In Lakh

| DESCRIPTION OF ASSETS | GROSS BLOCK | | | DEPRECIATION BLOCK | | | NET BLOCK | | |
|-------------------------|-----------------------|-------------------|-------------------|-----------------------|------------------|-------------------|-------------------------|------------------|------------------|
| | COST AS ON 01.04.2016 | ADDITIONS 2016-17 | DELETIONS 2016-17 | TOTAL COST 31.03.2017 | AS ON 01.04.2016 | WITHDRAWN 2016-17 | FOR THE YEAR 31.03.2017 | AS AT 31.03.2017 | AS AT 31.03.2016 |
| LAND | 39.13 | - | - | 39.13 | - | - | - | 39.13 | 39.13 |
| BUILDINGS | 797.72 | - | - | 797.72 | 251.60 | - | 26.57 | 519.55 | 546.12 |
| BOREWELL | 1.77 | - | - | 1.77 | 1.44 | - | 0.03 | 0.30 | 0.33 |
| PLANT & MACHINERY | 4768.59 | 216.34 | - | 4984.93 | 3881.07 | - | 206.51 | 897.35 | 887.52 |
| TRANSFORMER | 88.20 | - | - | 88.20 | 24.25 | - | 10.43 | 53.52 | 63.95 |
| ELECTRICAL INSTALLATION | 393.30 | 4.02 | 1.69 | 395.62 | 233.86 | 0.28 | 36.79 | 125.24 | 159.43 |
| TOOLS & EQUIPMENTS | 67.30 | 1.06 | - | 68.36 | 24.00 | - | 4.58 | 39.77 | 43.30 |
| OFFICE EQUIPMENTS | 25.74 | 4.75 | - | 30.49 | 18.37 | - | 3.57 | 8.55 | 7.37 |
| VEHICLES | 176.64 | - | - | 176.64 | 117.73 | - | 24.51 | 34.40 | 58.91 |
| FURNITURES & FIXTURES | 35.18 | 0.29 | - | 35.47 | 19.67 | - | 4.53 | 11.27 | 15.51 |
| COMPUTERS | 34.35 | 2.51 | - | 36.86 | 29.77 | - | 2.37 | 4.72 | 4.58 |
| WIND MILL | 1088.88 | - | - | 1088.88 | 274.44 | - | 50.90 | 763.54 | 814.44 |
| TOTAL | 7516.79 | 228.96 | 1.69 | 7744.06 | 4876.21 | 0.28 | 370.80 | 2497.33 | 2640.59 |

MARIS SPINNERS LIMITED

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

| DESCRIPTION OF ASSETS | GROSS BLOCK | | | DEPRECIATION BLOCK | | | NET BLOCK | | |
|-------------------------|-----------------------|-------------------|-------------------|-----------------------|------------------|-------------------|---------------|------------------|------------------|
| | COST AS ON 01.04.2016 | ADDITIONS 2016-17 | DELETIONS 2016-17 | TOTAL COST 31.03.2017 | AS ON 01.04.2016 | WITHDRAWN 2016-17 | FOR THE YEAR | AS AT 31.03.2017 | AS AT 31.03.2016 |
| LAND | 13.24 | - | - | 13.24 | - | - | - | 13.24 | 13.24 |
| BUILDINGS | 575.88 | - | - | 575.88 | 352.89 | - | 21.67 | 201.31 | 222.98 |
| PLANT & MACHINERY | 2,865.25 | - | - | 2,865.25 | 2,588.75 | - | 93.66 | 182.83 | 276.49 |
| COMPRESSOR | 34.41 | - | - | 34.41 | 26.64 | - | 2.73 | 5.04 | 7.77 |
| ELECTRICAL INSTALLATION | 239.47 | - | - | 239.47 | 200.43 | - | 6.42 | 32.61 | 39.04 |
| TOOLS & EQUIPMENTS | 10.07 | 0.58 | - | 10.65 | 9.50 | - | 0.15 | 1.00 | 0.57 |
| FURNITURES & FIXTURES | 4.62 | - | - | 4.62 | 4.59 | - | 0.03 | 0.00 | 0.03 |
| VEHICLES | 65.58 | - | - | 65.58 | 33.35 | - | 9.33 | 22.90 | 32.23 |
| OFFICE EQUIPMENTS | 5.77 | - | - | 5.77 | 4.75 | - | 0.40 | 0.62 | 1.02 |
| BOREWELL | 1.96 | - | - | 1.96 | 1.51 | - | 0.45 | 0.00 | 0.45 |
| COMPUTERS | 8.82 | 0.10 | - | 8.92 | 8.34 | - | 0.24 | 0.34 | 0.48 |
| TOTAL | 3,825.08 | 0.68 | - | 3,825.75 | 3,230.77 | - | 135.08 | 459.90 | 594.31 |



Rs. in Lakh

| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| Note - 10 - Non Current Investments | | | | |
| Invested in shares of ARS ENERGY PVT. LTD. (440 Shares at Nominal Value of Rs.10/- each and Premium at Rs 265/-) | – | 0.55 | 0.55 | 1.21 |
| Invested in shares of Green Infra Wind Power Generation Limited (60,000 Shares at Nominal value of Rs.10/- each-) | 6.00 | – | 6.00 | – |
| | 6.00 | 0.55 | 6.55 | 1.21 |
| Note - 11 - Long Term Loans and Advances | | | | |
| DEPOSITS | | | | |
| Security Deposits considered good | 46.03 | 104.67 | 150.70 | 191.09 |
| | 46.03 | 104.67 | 150.70 | 191.09 |
| LOANS & ADVANCES | | | | |
| Unsecured, considered good unless otherwise stated | | | | |
| Interest Subsidy Receivable TUF Loan | 202.25 | – | 202.25 | 199.23 |
| Others | 405.10 | – | 405.10 | 5.10 |
| | 607.35 | – | 607.35 | 204.33 |
| Total | 653.38 | 104.67 | 758.05 | 395.42 |
| Note - 12 - Inventories | | | | |
| Finished Goods | 122.67 | 59.19 | 181.86 | 541.07 |
| Raw Materials | 2,474.21 | 743.44 | 3,217.65 | 1,974.05 |
| Stock in Process | 97.75 | 72.33 | 170.08 | 162.43 |
| Stores & Spares | 89.43 | 22.92 | 112.35 | 125.24 |
| Waste Cotton | 0.98 | 8.58 | 9.55 | 2.41 |
| Total | 2,785.04 | 906.46 | 3,691.50 | 2,805.19 |
| Note - 13 - Trade Receivables | | | | |
| A. Secured | – | – | – | – |
| B. Unsecured, considered good | | | | |
| (a) Outstanding for a period exceeding six months | – | – | – | – |
| (b) Others | 856.52 | 444.84 | 1,301.36 | 1,328.09 |
| Total | 856.52 | 444.84 | 1,301.36 | 1,328.09 |
| Note - 14 - Cash and Bank Balances | | | | |
| Cash and cash equivalents | | | | |
| Balance with banks | 134.92 | 5.50 | 140.41 | 29.76 |
| Cash in hand | 6.30 | 7.94 | 14.24 | 12.07 |
| Total | 141.22 | 13.43 | 154.65 | 41.83 |

MARIS SPINNERS LIMITED

Rs. in Lakh

| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| Note - 15 - Short Term Loans and Advances | | | | |
| Other Loans & Advances (unsecured, considered good unless otherwise stated) | | | | |
| Loans & Advances | 61.82 | 60.40 | 122.22 | 76.25 |
| Advance Paid - Capital Goods | 4.69 | – | 4.69 | 5.02 |
| Advance Paid - Stores and Spares | 8.36 | 0.79 | 9.15 | 17.96 |
| Total | 74.87 | 61.19 | 136.06 | 99.24 |
| Note - 16 Other Current Assets | | | | |
| Duties & Taxes | 53.93 | 44.55 | 98.48 | 352.39 |
| Prepaid Expenses | 59.13 | 6.61 | 65.74 | 45.84 |
| Others | 13.88 | (12.42) | 1.46 | 0.94 |
| Total | 126.93 | 38.74 | 165.68 | 399.17 |
| Note - 17 - Revenue From Operation | | | | |
| Income from Sales | | | | |
| Sales Yarn | | | | |
| Direct | 6,422.75 | 4,937.95 | 11,360.69 | 10,122.37 |
| Sales Others | | | | |
| Packing Sales | 7.70 | 5.46 | 13.16 | 5.65 |
| Waste Cotton Sales | 111.49 | 279.00 | 390.50 | 342.22 |
| Waste Yarn Sales | – | 5.88 | 5.88 | 4.52 |
| Scrap Sales | 2.76 | – | 2.76 | 12.63 |
| Total | 6,544.70 | 5,228.29 | 11,772.98 | 10,487.38 |
| Note - 18 - Other Income | | | | |
| Other Incomes | | | | |
| Income From Wind Generation | 237.65 | – | 237.65 | 196.49 |
| Interest Subsidy | 23.76 | – | 23.76 | 37.28 |
| Other income | 10.55 | 6.69 | 17.25 | 19.42 |
| Total | 271.97 | 6.69 | 278.66 | 253.19 |
| Note - 19 - Cost of material consumed | | | | |
| Materials Consumed | | | | |
| Opening Stock of Raw Material | 1,526.57 | 447.48 | 1,974.05 | 1,566.20 |
| Add: Purchase Cost of Raw Material | 4,639.35 | 3,537.45 | 8,176.81 | 6,631.92 |
| Less: Closing Stock of Raw Material | 2,474.21 | 743.44 | 3,217.65 | 1,974.05 |
| Total | 3,691.71 | 3,241.49 | 6,933.20 | 6,224.07 |

Rs. in Lakh

| Particulars | Unit I | Unit II | Consolidated | Consolidated |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| Note - 20 - Changes in inventories of finished goods, work-in-process and Stock-in-Trade | | | | |
| CLOSING STOCK | | | | |
| Finished Goods | 122.67 | 59.19 | 181.86 | 541.07 |
| Work in Process | 97.75 | 72.33 | 170.08 | 162.43 |
| Waste Cotton | 0.98 | 8.58 | 9.55 | 2.41 |
| | 221.40 | 140.10 | 361.50 | 705.91 |
| OPENING STOCK | | | | |
| Finished Goods | 176.04 | 365.03 | 541.07 | 146.44 |
| Work in Process | 88.60 | 73.83 | 162.43 | 138.49 |
| Waste Cotton | 0.82 | 1.59 | 2.41 | 4.99 |
| | 265.45 | 440.45 | 705.91 | 289.91 |
| Total | (44.06) | (300.35) | (344.41) | 415.99 |
| Note - 21 - Employee benefit expenses | | | | |
| Salaries, wages and bonus | 474.78 | 251.92 | 726.70 | 738.03 |
| Staff welfare expenses | 111.01 | 11.16 | 122.17 | 107.88 |
| Other Expenses | 11.54 | 8.25 | 19.79 | 19.61 |
| Total | 597.33 | 271.33 | 868.66 | 865.52 |
| Note - 22 - Finance Costs | | | | |
| Interest on Working Capital | 208.38 | 59.05 | 267.43 | 325.01 |
| Interest on Term Loan | – | 32.80 | 32.80 | 36.06 |
| Interest on TUF Loan | 104.23 | – | 104.23 | 156.84 |
| Interest on Unsecured loan | – | 44.38 | 44.38 | 22.97 |
| Interest others | 24.62 | – | 24.62 | 1.21 |
| Charges on bill discounted | 0.32 | – | 0.32 | – |
| Total | 337.55 | 136.22 | 473.77 | 542.08 |
| Note - 23 - Other Expenses | | | | |
| Direct Manufacturing Expenses | 1,149.59 | 943.63 | 2,093.22 | 2,181.05 |
| Administrative and Other Expenses | 374.28 | 159.43 | 533.72 | 455.82 |
| Total | 1,523.87 | 1,103.07 | 2,626.94 | 2,636.87 |

MARIS SPINNERS LIMITED

Note-24: Other Notes to Accounts

a) Revenue Recognition:

The Company derives its revenue primarily from manufacture of cotton yarn. Revenue is recognized at the time of delivery of goods net of Trade Discounts to customers and Sales Tax/Value added taxes recovered from customers.

Sales are recognized based on raising of invoice upon satisfactory delivery of goods to the Customers.

b) Taxes on Income and Deferred Taxes :

The Company has made a provision for Income Tax for Rs. 93,37,217.00 during the year based on the taxable income of the company for the year as per the provisions of Income Tax Act, 1961.

The Tax Savings of Rs. 37,63,834.00 has been credited to the Profit and Loss Account and correspondingly Deferred Tax Liability amounting to Rs. 1,83,69,647.00 has been disclosed in the Balance Sheet as at 31-03-2017. The disclosure of the same is as follows:

| Particulars | Amount (in Rs.) |
|--|-----------------------|
| Deferred Tax Liability as on 01/04/2016 | 2,21,33,481.00 |
| Less: Reversal of Deferred Tax Liability | (37,63,834.00) |
| Deferred Tax Liability as on 31/03/2017 | 1,83,69,647.00 |

c) Cash Flow Statement:

The cash flow statement is prepared under "Indirect Method" and the same is annexed.

d) Events occurring after the date of Balance Sheet:

There are no events occurring after the date of the Balance Sheet, which has a material effect on the accounts.

e) 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.

f) Inventories

- Cost Comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity.
- Inventories are stated at cost and as certified by the management and are valued as follows:
 - i. Raw Cotton - At Cost
 - ii. Stock in Process - At Cost
 - iii. Yarn Stock - At Cost
 - iv. Waste Cotton - At Cost or at Net Realisable Value whichever is lower



g) **Debtors/Advances and Creditors/Retentions:**

Confirmations of balance of certain 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 and hence the said balances are subject to such confirmations and reconciliations.

h) **Remuneration payable to Statutory Auditors debited to Profit & Loss Account:**

| Particulars | 2016-17 | 2015-16 |
|----------------------|-----------------|-----------------|
| Statutory Audit Fees | Rs. 80,000.00 | Rs. 80,000.00 |
| Tax Audit Fees | Rs. 80,000.00 | Rs. 80,000.00 |
| Total | Rs. 1,60,000.00 | Rs. 1,60,000.00 |

Note: The above fee is exclusive of service tax.

i) **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.

j) **Earnings Per Share:**

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 (in Rs.) | Previous Year (in Rs.) |
|--|--------------------------|---------------------------|
| Profit after Taxation | 2,65,01,671.00 | 3,18,75,189.00 |
| Profit attributable to ordinary shareholders | 2,65,01,671.00 | 3,18,75,189.00 |
| Weighted average Number of Equity Shares - Issued & Subscribed | 81,72,360 | 81,72,360 |
| Basic Earnings Per Share (Rs.) | 3.24 | 3.90 |
| Diluted Earnings Per share (Rs.) | 3.24 | 3.90 |

k) **Segment Reporting:**

The Company operates two Units at Kattemalalavadi Village, 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.

l) **Dividend:**

The Board of Directors, in its meeting on 30th May, 2017, have proposed a final dividend of Rs.1.00 per equity share for the financial year ended 31st March, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of approximately Rs.97,61,787.00, including Dividend Distribution Tax.

The Proposed dividend will be recognized in the Financial Statements in the subsequent year that is in the year in which the proposed dividend is approved by the shareholders.

MARIS SPINNERS LIMITED

m) Letter of Credit

During the year, Maris Spinners Limited Unit I Hunsur has entered into a letter of credit limit with Indian Overseas Bank for Rs.15,00,00,000/- towards purchase of Raw Cotton which is secured by Documents of Title goods/ accepted hundies and charge on current assets.

n) Disclosure on Specified Bank Notes (SBNs):

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars | In Rs. | | |
|---|------------------|--------------------------|------------------|
| | SBN s | Other Denomination Notes | Total |
| Closing cash in hand as on November 8, 2016 | 1,354,000 | 22,69,886 | 36,23,886 |
| (+) Permitted receipts | | 68,30,164 | 68,30,164 |
| (-) Permitted payments | | 45,14,196 | 53,33,475 |
| (-) Amount deposited in Banks | 1,354,000 | 21,74,000 | 13,54,000 |
| Closing cash in hand as on December 30, 2016 | – | 24,11,854 | 24,11,854 |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

o) Contingent Liability:

- a. An amount of Rs.16,21,062/- has been raised by The Superintending Engineer, TANGEDCO dated 23.02.2010 towards Excess Demand and Energy charges for the month of November & December '09. Against the above Demand, the company had 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.

Now the Hon'ble court has passed an order dated 15/12/2016, quashing the demand raised by TANGEDCO and accordingly the deposited amount of Rs.4,05,266/- will be refunded by way of adjusting the same against the ensuing CC Bills.

However, the above refund is subject to the outcome of the decision to be rendered by the Hon'ble Apex Court in the pending Civil Appeal No:1897/2015.

- b. 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.



- c. 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.
- d. The Company has been served with a notice of demand by the Assistant Commissioner, Woraiyur Assessment Circle, Trichy, for a sum of Rs.4,00,032/- under the Tamil Nadu VAT Act, 2006, pursuant to the orders passed in this regard, holding that the Company was not eligible to claim input tax credit in respect of interstate sales to the extent mentioned in the said order. The Company is in the process of filing an appeal against the said orders and is confident of getting substantial/complete relief against the said demand and consequently no provision has been made in the books of accounts.
- e. E-Tax on maximum demand charges which was levied in monthly CC Bill by Tamil Nadu Generation and Distribution Corporation (TANGEDCO) was paid by the Company till September' 2012. In view of an interim order passed by the Hon'ble Supreme Court staying the procedure of leaving E-Tax on maximum demand charges on 12/10/2012 responding to the SLP filed by SIMA (SLP (C) NO.31039 of 2012), the company has not been paying E-tax for the maximum demand charges since October '2012.

The accrued demand towards E-Tax amount till March' 2017 was Rs.11,59,906/-. As the case has been pending before the Apex court and SIMA is confident of getting order in favour of its member mills, no provision has been made in the books of accounts towards the same.

- f. TANGEDCO has issued a show cause notice dated 20/04/2017 on the Company, informing its intention to levy Cross Subsidy Surcharge on the Company for an amount of Rs. 5,44,94,998/- in connection with non fulfilling of Captive Generating status for the Financial Year 2014-15, 2015-16 and 2016-17. The Company has filed its response to the show cause notice on 04.05.2017 where it as contested the claim of TANGEDCO.

As the move initiated by TANGEDCO on all H.T. Consumers as well as the Power Generating and Supplying Plants was not maintainable as per the Central Electricity Rules, 2005, the Hon'ble High Court of Madras has directed TNERC to ascertain the status on the above and also stayed TANGEDCO, taking any action from based on its correspondences issued to the consumers on the above matter. The Company is confident of obtaining complete relief in the matter and hence no provision is required to be made in the books of the Company.

p) Previous Year Figures

Previous year's figures have been regrouped and reclassified wherever necessary in order to make them comparable with the current year figures.

For and on behalf of the Board

ANANDKUMAR RENGASWAMY
Managing Director

T.JAYARAMAN
Director

K.V.S. RAGHAVAN
Company Secretary

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 : 30.05.2017

MARIS SPINNERS LIMITED

QUANTITATIVE PARTICULARS FOR 2016-2017

Annexure - I

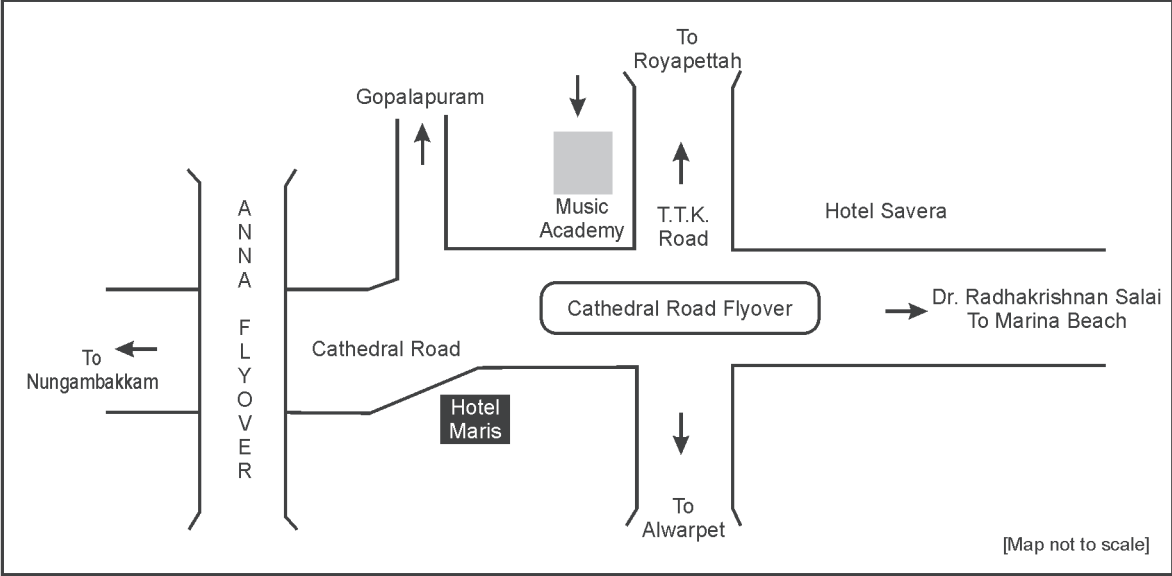
| S.No. | PARTICULARS | UNIT I | UNIT II | CONSOLIDATED | |
|-------|---|-------------|-------------|---------------------------|---------------------------|
| | | 31.03.2017 | 31.03.2017 | UNIT I & II 31.03.2017 | UNIT I & II 31.03.2016 |
| 1 | [a] Licensed Capacity - Spindles [Nos.] | 28704 | 25000 | 53704 | 53704 |
| | [b] Installed Capacity - Spindles [Nos.] | 28704 | 20832 | 49536 | 49536 |
| | [c] Production Cotton Yarn [Kgs.] | 2540348.000 | 1927357.740 | 4467705.740 | 4525594.465 |
| 2 | [a] Sale of Finished Goods [Kgs.] | 2569762.730 | 2068894.170 | 4638656.900 | 4349890.300 |
| | [b] Sale of Waste Cotton [Kgs.] | 816853.790 | 687953.100 | 1504806.890 | 1633087.300 |
| 3 | Purchase of Raw materials | | | | |
| | [a] Cotton [Kgs.] | 3748656.400 | 2792361.000 | 6541017.400 | 6662502.500 |
| 4 | Raw materials Consumed | | | | |
| | [a] Cotton [Kgs.] | 3386344.400 | 2677214.640 | 6063559.040 | 6227802.390 |
| 5 | Opening Stock | | | | |
| | [a] Finished Goods - Yarn Mills [Kgs.] | 76733.610 | 166263.300 | 242996.910 | 67292.745 |
| | [b] Raw materials - Cotton [Kgs] | 1546824.000 | 444691.670 | 1991515.670 | 1562732.500 |
| | [c] Stock In Process [Kgs] | 54837.000 | 51402.870 | 106239.870 | 100322.930 |
| | [d] Waste Cotton [Kgs] | 2729.860 | 5217.580 | 7947.440 | 12631.490 |
| 6 | Closing Stock | | | | |
| | [a] Finished Goods - Yarn at Mills [Kgs.] | 47318.880 | 24726.870 | 72045.750 | 242996.910 |
| | [b] Raw materials - Cotton [Kgs] | 1896443.000 | 570093.730 | 2466536.730 | 1991515.670 |
| | [c] Stock In Process [Kgs] | 67530.000 | 41147.170 | 108677.170 | 106239.870 |
| | [d] Waste Cotton [Kgs] | 4882.010 | 12987.230 | 17869.240 | 7947.440 |
| | Consumption of Raw materials | | | | |
| | [a] Indigenious | 94.14% | 100.00% | 96.72% | 100.00% |
| | [b] Imported | 5.86% | 0.00% | 3.28% | 0.00% |

Notes to Accounts
Annexure 2

| Name | Manner in which related | Nature of Transactions | Balance as on 01.04.2016 Rs. | Payment during the year Rs. | Receipt during the year Rs. | Balance as on 31.03.2017 Rs. |
|---------------------------------|-------------------------|---|------------------------------|-----------------------------|-----------------------------|------------------------------|
| Maris Hotels & Theatres Pvt Ltd | Associated Concern | Purchase of power, unsecured loan windmill maintenance boarding and lodging | 11,93,000 | 2,70,89,120 | 2,78,13,368 | 19,17,248 |
| Maris Textiles LLP | Associated Concern | Sales | 20,43,661 | 1,52,13,786 | 1,41,28,218 | 9,58,093 |
| Maris Agro Products | Associated Concern | Purchase of Stores items | 32,160 | 1,37,160 | 1,05,000 | – |
| Sri.Anandkumar Rengaswamy | Managing Director | Salary | – | 20,28,333 | 20,28,333 | – |
| Havukal Tea & Produce Co P Ltd | Associated Concern | Reimbursement of expenses | 1,02,885 | 1,02,885 | – | – |
| T. Raghuraman | Director | Unsecured loan and Interest On Loan | 50,00,000 | – | – | 50,00,000 |

MARIS SPINNERS LIMITED

ROUTE MAP







MARIS SPINNERS LIMITED

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

MARIS SPINNERS LIMITED

CIN: L93090TN1979PLC032618

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

Mail: msl@vsnl.com, Web:www.maris.co.in

Phone: 044 2811 5910 /12/18, Fax: 044 2811 1513

38th ANNUAL GENERAL MEETING

22nd September, 2017

| | |
|-------------------------------|---------------|
| Name of the Member(s): | |
| Registered address: | |
| Mail ID: | |
| Folio No/Client ID: | DP ID: |

I/We being the member(s), held _____ Shares of Maris Spinners Limited, hereby appoint:

1) Name: _____ Address _____

Mail ID _____ Signature _____ or failing him

2) Name: _____ Address _____

Mail ID _____ Signature _____ or failing him

2) Name: _____ Address _____

Mail ID _____ Signature _____ or failing him

as my/our proxy to attend and vote (on the poll) on behalf me/us at the 38th Annual General Meeting of the Company to be held on Friday, September 22nd, 2017 at 9.30 A.M. at Hotel Maris I Floor, No.11, Cathedral Road, Chennai - 600 086.

| |
|-------------------------------------|
| Affix Revenue Stamp Rs.1/- |
|-------------------------------------|

Signed _____ day of _____ 2017

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 of holding the meeting.

MARIS SPINNERS LIMITED

CIN: L93090TN1979PLC032618

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

Mail: msl@vsnl.com, Web:www.maris.co.in. Phone: 044 2811 5910 /12/18, Fax: 044 2811 1513

**38th ANNUAL GENERAL MEETING
ATTENDANCE SLIP**

| | | | |
|---------------------------|--|---------------------|--|
| DP ID: | | Folio No. | |
| Client ID | | No.of Shares | |
| Name of the Member | | | |
| Name of the Proxy | | | |

I hereby record my presence at the 38th Annual General Meeting of the Company held on Friday, September 22, 2017 at 9.30 A.M. at Hotel Maris I Floor, No.11, Cathedral Road, Chennai - 600 086.

Member's/ proxy's Signature

Note:

1. Please complete the Folio / DP ID - Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter in the Meeting Hall.
2. Electronic copy of the Annual Report for FY 2016-17 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to the all the members whose mail ids is registered with the Depository Participant unless any member requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2016-17 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose mail is not registered or who have requested for a hard copy.

E-VOTING PARTICULARS

| EVSN (Electronic Voting Sequence Number) | USER ID | PASSWORD* |
|---|-----------------------------|---|
| IS***** | Folio No./ Client ID | PAN Number / Bank Account No / Date of Birth |

* Physical Shareholders who does not have PAN should enter No.of Shares they hold as their password if they prefer to excise e-voting.

The e-voting facility will be available during the following voting period:

| Commencement of e-voting | End of e-voting |
|---|--|
| Tuesday, 19th September, 2017 (from 9.00 A.M) | Thursday, 21st September, 2017 (upto 5.00 P.M) |

Note: Please refer the details and instructions from integral part of the Notice for the Annual General Meeting.