

GEM SPINNERS INDIA LIMITED

TWENTY FIFTH ANNUAL REPORT

2014 - 2015

BOARD OF DIRECTORS

Mr.R.VEERAMANI
 Mr.P.P.DODDANAVAR
 Mr.S.GOPAL
 Mrs.POORANA JULIET

CHIEF FINANCIAL OFFICER

MR. G. SENTHILVEL

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. A.VANI
 E mail id: secretarial@gemspin.com

AUDITORS

M/s.VIJAY SARATHY & CO.
 Chartered Accountants,
 18-A, Rajamannar Street,
 T.Nagar, Chennai – 600 017.

SECRETARIAL AUDITORS

M/S. LAKSHMMI SUBRAMANIAN & ASSOCIATES,
 M.N.O. Complex, 81, Greams Road, Chennai – 600 006.

BANKERS

INDIAN OVERSEAS BANK
 LAKSHMI VILAS BANK

REGISTERED OFFICE & MILLS

14, Mangalam Village, Madhuranthagam Taluk
 Kancheepuram District, Tamil Nadu – 603 107
 E mail id: accounts@gemspin.com

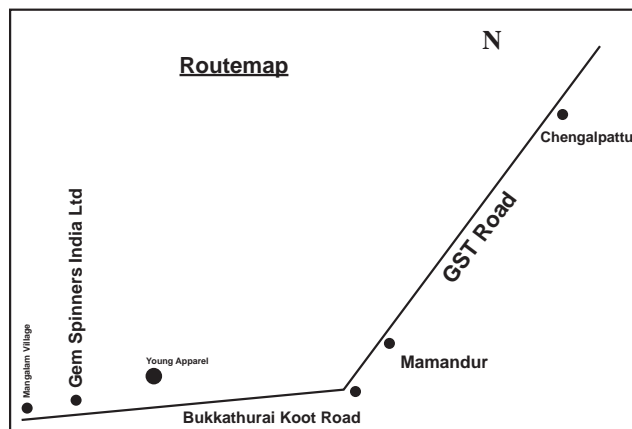
COMPANY CIN : L17111TN1990PLC019791

CORPORATE OFFICE

78, CATHEDRAL ROAD, CHENNAI – 600 086.

REGISTRAR & SHARE TRANSFER AGENT

CAMEO CORPORATE SERVICES LTD.
 "Subramanian Building", 1, Club House Road,
 Chennai – 600 002.



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NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Fifth Annual General Meeting of the shareholders of the Company will be held on Wednesday the 30th September 2015 at **No.14 Mangalam Village, Madhuranthagam Taluk, Kancheepuram District, Tamilnadu – 603 107 at 10.30a.m.** to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Profit and Loss Account for the year ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. R. Veeramani (DIN: 00032895) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

RESOLVED that in terms of the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014 as may be applicable and pursuant to the resolution of the Members at the 24th Annual General Meeting held on 17th September, 2014, the appointment of M/s Vijay Sarathy & Co., Chartered Accountants (Firm Registration No. 004695S), as auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the 27th Annual General Meeting (AGM) of the Company, be ratified by the Members on a remuneration

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. The Instrument appointing a proxy shall be deposited at the Corporate Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
3. The Register of Members and Transfer Books of the Company will remain closed from Thursday the 24th September 2015 to Wednesday the 30th September 2015 (Both days inclusive).
4. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a Green Initiative in Corporate Governance and allowed Companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email addresses for the said purpose. Hence Members are requested to register their e-mail addresses with the Company by sending their details relating to name, folio no./DP Id/Client Id to the company's **email id : secretarial@gemspin.com**
6. Members are requested to notify immediately any change in their address to the Registrar and Share transfer Agent – M/s. Cameo Corporate Services Ltd., "Subramanian Building", 1, Club House Road, Chennai-600 002.
7. Members who hold shares in physical form are requested to dematerialize their holdings to make the Company's shares traded in normal segment.
8. Electronic copy of the AGM Notice of the Company inter alia indicating the process and manner of e-voting along with

inclusive of service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150,152,160 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mrs Poorana Juliet holding DIN: 07143637, who was appointed as an additional director of the Company by the Board of Directors in terms of Section 161(1) of the Act and the Articles of Association of the Company and whose term of office expires at the 25th Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 30th September 2020, not liable to retire by rotation."

By Order of the Board
For **Gem Spinners India Ltd**

Place : Chennai - 86
Date : 14.08.2015

A. Vani
Company Secretary

Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent in the permitted mode.

9. Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate, for its shareholders to enable them to cast their votes electronically at the 25th Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. E-Voting is optional. The procedure and instructions for the same are as follows:

The Company will provide the evoting facility through CDSL. The e-voting particulars are set out as below:

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “**GEM SPINNERS INDIA LIMITED**” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field. (Sl.No. mentioned in your address label can be used as Sequence No. for this purpose)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Gem Spinners India Limited

- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to 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 would be able to 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.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins at 9.00 A.M. on 27th September 2015 and ends at 6.00 P.M. on 29th September, 2015.
During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (D) Members may also contact the Company’s Secretarial Department at secretarial@gemspin.com or the Registrar and Transfer Agent at investor@cameoindia.com.
- (E) The result of the voting will be placed on the website of the Company <http://www.gemspin.com>.

Please note that by virtue of providing the e-voting facility by the company as per Rule 20 of Companies (Management and Administration) Rules, 2014 the following will be applicable:

- (i) The manner of voting for the members being present in the General Meeting will be on “proportion principle” i.e. one share – one vote unlike one person one vote principle, further provision of the Companies Act, 2013 relation to demand for poll will not be relevant.
- (ii) The option of voting by show of hands will not be available for members presenting the General Meeting in view of clear provision of section 107 of the Companies Act, 2013, i.e. voting by show of hands would not be allowable in cases where Rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.
- (iii) Any member who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final.

Details of Directors seeking appointment / re-appointment in the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Particulars		
Name	Mr. R. Veeramani	Mrs.Poorana Juliet
Date of Birth	15/09/1942	15/03/1966
DIN No	00032895	7143637
Date of Appointment	01/10/2011	30/03/2015
Relationship with other Directors	Nil	Nil
Qualification	B.Sc., B.L.,	B.A.
Expertise in specific functional areas	Lawyer turned Technocraft entered into the stone Industries in 1971. He is in the business of Mining, Textiles, Sugar, Hotel & IT Industry.	Secretarial

Chairmanships/Directorship of other Companies (excluding Foreign Companies and Section 8 Companies)	Ferro Magnets & Allied Products Limited, Gem Granites Private Limited Imperial Granites Private Ltd Gem Graphites Private Ltd Gem Holiday Resorts Limited Gem Stone Beach Resorts Private Limited Gem Global Trade Limited Stone Wonders (India) Ltd Gem Agro Industries Limited Gem Energy Industry Limited Celia Leather Private Limited Gem Sugars Limited Get Minerals and Coal Private Limited Gem Earth Treasures Private Limited Gem Quartz Private Limited Balaji Bonded Breaklinings Private Limited Indo Russian Techno Trade Private Limited	Nil
Chairmanships/Directorship of Committees of other Public Companies	18	Nil
i. Audit Committee	No	No
ii. Stake holders Relationship Committee.	Yes	No
iii. Nomination and Remuneration Committee	No	No.
Number of Shares held in the Company	12692166	Nil

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
Item No. 4

The Board of Directors, by passing a resolution at the meeting held on 30th March 2015, appointed Mrs. Poorana Juliet as a Woman Independent Director under Section 149,150 & 152 of the Act 2013 holds office as a director up to the date of the forthcoming Annual General Meeting. It is proposed to appoint her as a Non-executive Independent Director of the Company for five consecutive years till 30th September 2020 in terms of Section 149 of the Act.

The Company has received a notice along with the deposit of requisite amount under Section 160 of the Act from a member proposing Mrs. Poorana Juliet as a candidate for the office of a director of the Company. Mrs. Poorana Juliet has confirmed to the Board that she qualifies to be an independent director within the meaning of Clause 49(II) (B)(1) and Section 149(6) of the Act read with Rule 5 of the

Companies (Appointment and Qualification of Directors) Rules, 2014. The Directors are of the view that Mrs. Poorana Juliet fulfils the conditions specified in the Act and Rules made thereunder for her appointment as an Independent Director of the Company. The Directors are of the view that Mrs. Poorana Juliet would bring valuable experience and gender diversity to the Board and the Company would benefit from her appointment as Director. Accordingly, the Board recommends the passing of the Ordinary Resolution proposed at item no. 4 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/ their relatives, except

Mrs. Poorana Juliet is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

By Order of the Board of Directors

Place : Chennai – 86

Date : 14.08.2015

A.Vani

Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 25th Annual Report of our Company along with the audited Balance Sheet and the Statement of Profit and Loss Account for the year ended March 31, 2015.

1. FINANCIAL RESULTS

Particulars	2014-15 Rs. in Lakhs	2013-14 Rs. in Lakhs
SALES		
Export	1335.52	1318.35
	1335.52	1318.35

Operating Profit	817.67	222.26
Less: Financial Charges	0.79	1.79
Gross Profit	816.88	220.47
Less : Depreciation	826.74	230.66
Loss before Tax	(9.86)	(10.19)
Net (Loss) / Profit	(9.86)	(10.19)
Accumulated Loss	(3262.15)	(3252.29)

Review of Operations

Your Company has performed a Trading Turnover of Rs.1335.52 Lakhs during the year under review as against a Turnover of Rs.1318.35 Lakhs in the previous year. The

Operating Profit was of the order of Rs. 817.67 Lakhs as compared to the previous year profit of Rs. 222.26 Lakhs.

Your Directors have to report a Net Loss of Rs.9.86 Lakhs for the year under report as against a Net Loss of Rs. 10.19 Lakhs during the previous year.

The Company has suspended the manufacturing operation due to market volatility. Your Directors are exploring all the possibilities of recommencing the production subject to the availability of power and viability. However your Company is continuing its trading activities.

2. DIVIDEND

In view of the insufficiency of the profits earned by the Company during the year, your Directors are not in a position to recommend any dividend.

3. TRANSFER OF PROFIT TO RESERVES

The company has not proposed to transfer any of its profits to reserves in view of the carried forward losses.

4. MATERIAL CHANGE AND COMMITMENTS OF THE COMPANY

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report; and there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There have been no loan, guarantees and investment given or made by the Company under Section 186 of the Act during the financial year 2014 – 2015.

6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The company doesn't have any subsidiaries, associates and joint venture companies.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL INDEPENDENT DIRECTOR AND APPOINTMENT

Pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchange has appointed Mrs. Poorana Juliet as Women Independent Director of the Company with effect from 30th March 2015. She hold office upto the date of 30th September 2020 considering her rich experience, the Board of Directors has recommended her appointment as an Independent Director in this AGM for a further period of 5 years.

INDEPENDENT DIRECTORS' DECLARATION

All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 which has been relied on by the Company and placed at the Board Meeting

of the Company.

RESIGNATIONS

Mr K.M. Lal has resigned from the position of Director with effect from 11th November 2014. The Board had placed on record its appreciation for the outstanding contributions made by Mr K.M. Lal during his tenure of office with the Company.

RETIREMENT BY ROTATION

Mr.R. Veeramani who retires by rotation at this Annual General Meeting is being eligible re-appointed as Director.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the appointment of Mr.R.Veeramani, Managing Director, Mr. G. Senthilvel, Chief Financial Officer and Mrs. A. Vani, Company Secretary were formalized as the "Key Managerial Personnel" of the Company and Company is in the process of filing the required returns to Statutory Authority.

8. AUDITORS

Pursuant to the provisions of section 139 of the Act and the rules framed there under, M/s. Vijay Sarathy & Co., Chartered Accountants, (Firm Registration no. 004695S) were appointed as auditors of the company from the conclusion of the 24th Annual General Meeting (AGM) of the company held on 17th September 2014 till the conclusion of AGM to be held in 2017, subject to ratification of their appointment at every AGM.

COMMENT ON AUDITOR REPORT - NIL

9. SECRETARIAL AUDITOR

Pursuant to the requirements of Section 204 (1) of the Companies Act 2013 and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed, M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries to conduct secretarial audit for the financial year 2014-15.

The Secretarial Audit report as received from the secretarial auditor is annexed to this report as Annexure – I.

10. COMMENT ON SECRETARIAL AUDITOR REPORT

With reference to the remarks made by the secretarial auditor, M/s. Lakshmmi Subramanian, Practicing Company Secretaries. In Secretarial Audit Report, the company has taken the corrective measures during the current financial year.

11. PERSONNEL

According to Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the directors are drawing remuneration and thereby the said section is not applicable and hence not furnished.

12. INTERNAL CONTROL AND ITS ADEQUACY

Company has a strong internal Audit Team. They regularly conduct audit and submit their quarterly reports, which are reviewed by the Audit Committee. The Company has an adequate Internal Control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

13. HUMAN RESOURCES

Due to temporary suspension of manufacturing operation of the factory, the management strives to retain and improve employees morale. The Company is in the process of revamping the employer employee engagement program.

14. TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information as required to be disclosed on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure - II" to this Report.

15. RELATED PARTY TRANSACTIONS

During the year 2014 – 2015, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material as per sub-section (1) of section 188 of the Companies Act, 2013. Hence the question of reporting under the requirement of said section doesn't arise.

16. EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return in Form MGT -9 as provided under Sub Section (3) of the Section 92 of the Companies Act, 2013 (the "Act") is annexed herewith as Annexure –III to this report.

17. RISK MANAGEMENT POLICY

The risk management is overseen by the Audit committee of the company on a continuous basis, therefore constituting a Risk Management committee does not arise. Major risks, if any, identified by the business and functions are systematically addressed through mitigating action on a continuous basis. The Risk Management policy is available in the Company website www.gemspin.com

18. DISCLOSURE AS PER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Presently the total number of employees is less than the statutory limit and hence the company has not constituted a separate committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The company has zero tolerance for sexual harassment at workplace. During the financial year

2014-15, the Company has not received any complaints.

19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of the Company's progress and future outlook is separately discussed in the Management Discussion and Analysis Report, is appended to and forms a part of the Annual Report.

20. DEPOSITS FROM PUBLIC

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

21. CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

22. PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and Nomination & Remuneration Committees and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Executive Directors was carried out by the Independent Directors.

23. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors had adopted a Code of Conduct for the Board Members and employees of the company. This Code helps the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements of the Company.

The Code is aimed at preventing any wrongdoing and promoting ethical conduct at the Board and employees. The Compliance Officer is responsible to ensure adherence to the Code by all concerned.

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management Personnel have confirmed compliance with the Code.

The Code of Conduct for Directors and Senior Management Personnel is available in the Company's Website: www.gemspin.com

24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your company is not having Net profits of more than 5 Crore rupees, in the Year 2014-15 and therefore constituting of a CSR committee in accordance with the provisions of section 135 of the Act does not arise.

25. LITIGATION - Nil

26. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Act, the Directors hereby confirm:

1. That in the Preparation of Final Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
2. That they had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period;
3. That they had taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Act, for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
4. That they had prepared the Annual Accounts on a Going Concern basis.
5. That they laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating properly; and
6. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the contributions made by employees at all levels, towards the continued growth and prosperity of your Company.

Directors take this opportunity to convey their thanks to all the valued shareholders, Banks and the valuable services rendered by the Officers and Staffs at all levels.

For and on behalf of the Board

R. Veeramani **P.P. Doddanavar**

Place:Chennai - 86 Managing Director Director

Date : 14/08/2015 Din No: 00032895 Din No: 00960514

ANNEXURE I - Form No. MR 3

FOR THE FINANCIAL YEAR ENDED 31.03.2015

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

To the Members

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GEM SPINNERS INDIA LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by GEM SPINNERS INDIA LIMITED ("the Company") for the financial year ended on 31st March, 2015 according to the provisions as applicable to the Company during the period of audit:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

- (d) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed
 - (e) Secretarial Standards issued by the Institute of Company Secretaries of India (**Not Applicable for the Audit Period**)
 - (f) The Securities and Exchange Board of India (Delisting of Equity Share) Regulations, 2009 (Not Applicable for the Audit Period)
- (iv) There are no laws/ Regulations (as amended from time to time), as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry.
- (v) It is reported that during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guide lines etc except the following.
- Company is in the process of updating certain areas in line with new amended listing agreement including Clause 49.
 - Company has appointed the Key Managerial Personnel only during May 2015.

We further report that there were no actions/events in the pursuance of

- (a) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014(Not Applicable for the Audit Period);
- (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998(Not Applicable for the Audit Period);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009(Not Applicable for the Audit Period);
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not Applicable for the Audit Period);

requiring compliance thereof by the Company during the Financial Year under review.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / CEO taken on record by the Board of Directors of the Company, in our opinion, the Company is in process

of establishing adequate systems and processes and control mechanism to monitor and ensure compliance with applicable other general laws including Industrial Laws, Environment Laws, Human Resources and labour laws, since the Company's manufacturing operations are temporarily suspended.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is generally well constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except reconstitution of committees after the ceasing of Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the audit period, no events during the year have had a major bearing on the Company's affairs except.

- Adoption of new set of Articles of Association (AOA)
- Company manufacturing unit temporarily suspended and Company had only trading activity during the year.
- Application for delisting from MSE and DSE already made by Company and was pending with Stock Exchange. However, such exchange were derecognized by SEBI order dated 26.05.2014 for MSE and 19.11.2014 for DSE.

For **Lakshmmi Subramanian & Associates**

P.S.SRINIVASAN

Partner

Place: Chennai

Date : 14.08.2015

C.P.NO. 3122

Note: This report is to be read with my letter of even date which is annexed as Annexure A and form forms an integral part of this report.

ANNEXURE-A
The Members

GEM SPINNERS INDIA LIMITED
NO 14 MANGALAM VILLAGE, MADHURATHAGAM
TALUK,
KANCHEEPURAM DISTRICT.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, We followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report 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.

For **Lakshmmi Subramanian & Associates**

P.S.SRINIVASAN

Partner

Place: Chennai

Date : 14.08.2015

C.P.NO. 3122

ANNEXURE II
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Details on Conservation of energy, Technology absorption and Foreign exchange earnings and outgo are as follows:

Details	Disclosure	
(A) Conservation of energy – (i) the steps taken or impact on conservation of energy;	The Company has suspended the manufacturing operation, hence the conservation of energy reporting is not applicable.	
(ii) the steps taken by the company for utilizing alternate sources of energy;	Nil	
(iii) the capital investment on energy conservation equipments;	Nil	
(B) Technology Absorption	Since there is no manufacturing activity, the disclosure under this clause is not applicable.	
(C) Foreign exchange earnings and Outgo	Rs. In lakhs	
	2014-15	2013-14
(1)) Expenditure on Foreign Currency		
a) Commission	22.13	18.40
b) Travel	Nil	Nil
(2) Earnings in Foreign Exchange	1300.64	1297.60

ANNEXURE - III
FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

Pursuant to Section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i)	CIN	L17111TN1990PLC019791
ii)	Registration Date	18/10/1990
iii)	Name of the Company	GEM SPINNERS INDIA LIMITED
iv)	Category / Sub – category of the Company	LIMITED BY SHARES
v)	Address of the Registered office and Contact Details	NO 14 MANGALAM VILLAGE, MADHURATHAGAM TALUK, KANCHEEPURAM DISTRICT

vi)	Whether listed company	YES
vii)	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	CAMEO CORPORATE SERVICES LTD. 'SUBRAMANIAN BUILDING', 1, CLUB HOUSE ROAD, CHENNAI – 600 002.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No.	Name & Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	COTTON YARN	5205 00	100%
2	COTTON KNITTED FABRICS	6002 00	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
NIL					

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

(i) Category-wise Share Holding

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) Promoters									
(1) Indian									
a) Individual/ HUF	42353500	90000	42443500	69.16	42353500	90000	42443500	69.16	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1) :-	42353500	90000	42443500	69.16	42353500	90000	42443500	69.16	0
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other -Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	42353500	90000	42443500	69.16	42353500	90000	42443500	69.16	0
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	12486790	200	12486990	20.35	12486790	200	12486990	20.35	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0

g) Flls	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	12486790	200	12486990	20.35	12486790	200	12486990	20.35	0
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	68700	163900	232600	0.38	68700	163900	232600	0.38	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) individual shareholders holding nominal share capital upto Rs.1 lakh	671000	5155200	5826200	9.49	671000	5155200	5826200	9.49	0
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	92600	267500	360100	0.59	92600	267500	360100	0.59	0
(C)Others (Specify)	22600	0	22600	0.04	22600	0	22600	0.04	0
Sub-total (B)(2)	854900	5586600	6441500	10.50	854900	5586600	6441500	10.50	0
Total Public Shareholding (B)= (B)(1) + (B)(2)	13341690	5586800	18928490	30.84	13341690	5586800	1892849	30.84	0
(C) Shares held by Custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A) + (B)+(C)	55695190	5676800	61371990	100	55695190	5676800	61371990	100	0

(ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in the shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares pledged / encumbered total shares	No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1.	SMT. RAJI VEERAMANI	30000	0.05	0	30000	0.05	0	0
2.	SMT. A. SEETHALAKSHMI	30000	0.05	0	30000	0.05	0	0
3.	SMT. VEDAVALLI KUMAR	30000	0.05	0	30000	0.05	0	0
4.	SRI. R.VEERAMANI	12692166	20.68	0	12692166	20.68	0	0
5.	SRI.S.R.ASAITHAMBI	10174638	16.58	0	10174638	16.58	0	0
6.	SRI.R.SEKAR	9743348	15.88	0	9743348	15.88	0	0
7.	SRI.S.R.KUMAR	9743348	15.88	0	9743348	15.88	0	0

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

S.No		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
	At the beginning of the year	42443500	69.16%		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc):				
	At the end of the year	42443500	69.16%	42443500	69.16%

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

S.No	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Change in Share Holding during the Year		Shareholding at the year as on 31-03-2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	IDBI BANK LTD	7565000	12.33%	0	0	7565000	12.33%
2.	ICICI BANK LTD	4921790	8.02%	0	0	4921790	8.02%
3.	PREETHY R E	80500	0.13%	0	0	80500	0.13%
4.	NIRMAL CHAND JAIN	50600	0.08%	0	0	50600	0.08%
5.	MEENA JAIKUMAR CHAUGULE	42000	0.07%	0	0	42000	0.07%
6.	A R ENTERPRISES LTD	41200	0.07%	0	0	41200	0.07%
7.	ASEELA VINOD GOENKA	35000	0.06%	0	0	35000	0.06%
8.	LATHA MAHESHWARI	30000	0.05%	0	0	30000	0.05%
9.	KANORIA PLASTOKEM PVT LTD	28500	0.05%	0	0	28500	0.05%
10.	JOHN ESTATES PVT LTD	26800	0.04%	0	0	26800	0.04%

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For Each of the Directors and KMP	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.	MR.R.VEERAMANI	12692166	20.68	12692166	20.68

V. INDEBTEDNESS

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

(Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
(i) Principal Amount	0	128720406	0	128720406
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	0	128720406	0	128720406
Change in Indebtedness during the financial year				
• Addition	0	0	0	0
• Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
(i) Principal Amount	0	128720406	0	128720406
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (I + ii + iii)	0	128720406	0	128720406

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other directors:

Rs.in lakhs

S.No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr.R.Veeramani	Mr.P.P.Doddanavar	Mr.K.M.Lal	Mr.S.Gopal	Mrs.Poorana Juliet	
	Independent Directors						
	- Fee for attending board committee meetings	0	9000	3000	0	0	12000
	- Commission	0	0	0	0	0	0
	- Others, please specify	0	0	0	0	0	0
	Total (1)	0	9000	3000	0	0	12000

Other Non-Executive Directors	9000	0	0	12000	0	21000
- Fee for attending board committee meetings	0	0	0	0	0	0
- Commission	0	0	0	0	0	0
- Others, please specify	0	0	0	0	0	0
Total (2)	9000	0	0	12000	0	21000
Total (B)=(1+2)	9000	9000	3000	12000	0	33000
Total Managerial Remuneration	9000	9000	3000	12000	0	33000
Overall Ceiling as per the Act						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Rs.in lakhs

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
.	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		3.00	2.55	5.55
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	3.00	2.55	5.55

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - Nil
CORPORATE GOVERNANCE
THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.

Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and voluntary practices that enable companies to perform efficiently and thereby maximize long term value for shareholders, while respecting the aspect of multiple stakeholders. Our Company has been practicing the principle of good corporate governance since inception, not on account of regulatory requirements but on account of sound management practices for enhancing customer satisfaction and value for shareholders.

The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with the shareholders, employees, the Government and other parties.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report forms part of the Annual Report. Your Company is in full compliance with the requirements and disclosures as stated therein. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

1. BOARD OF DIRECTORS

The Company has a well-defined process that ensure placement of all material and vital information before the Board pertaining to business to be considered at each Board Meeting enabling effective participation by Board Members in the discussion and in discharging their responsibilities.

Board of Directors of the Company consist of One Executive Director, One Non-Executive Director and Three Non – Executive independent Directors (including one woman director) as on 31.03.2015.

Director	Category	Designation	Shareholding in the Company	Number of Directorships (out of which as Chairman) other than GSIL#	Number of Membership in Board Committees other than GSIL##	Whether Chairman / Member
Mr.R.Veeramani	Promoter	Managing Director	12692166	9	9	
Mr.P.P.Doddanavar	Independent Director	Director	Nil	5	0	Nil
Mr.K.M.Lal	Independent Director	Director	Nil	7	0	Nil
Mr.S.Gopal	Independent Director	Director	Nil	0	0	Nil
Mrs.Poorana Juliet	Independent Director	Director	Nil	0	0	Nil

- Mr.K.M. Lal has resigned with effect from 11.11.2014

excluding Directorships in Foreign Companies, Private Companies and Section 8 Companies.

Represents Membership / Chairmanship of Audit Committees and Shareholders' / Investors' Grievance Committee.

As on 31st March 2015, none of the Directors on the Board hold the office of Director in more than 10 Public Limited Companies or Membership of Committees of the Board in more than 10 Committees or Chairmanship of more than 5 Committees, across all companies.

a) Board Meeting Dates:

Board Meetings were held five times during the financial year from 1st April 2014 to 31st March 2015. The dates of Board Meetings were as follows:

28th May 2014, 12th August 2014, 11th November 2014, 04th February 2015 and 30th March 2015.

b) Attendance Records of the Directors

Director	No. of Meetings		Attended last AGM on 17.09.2014
	Held	Attended	
Mr. R. Veeramani	5	4	No
Mr. P.P. Doddanavar	5	4	Yes
Mr. K.M. Lal*	5	1	No
Mr.S.Gopal	5	5	Yes
Mrs. Poorana Juliet**	5	1	No

* Mr.K.M. Lal has resigned with effect from 11.11.2014

** Mrs.Poorana Juliet has been appointed with effect from 30.03.2015

c) Code of Conduct for Board Members and Senior Management Personnel

The Board of Directors had adopted a Code of Conduct for the Board Members and employees of the Company. The Code helps the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements, specifically under Clause 49 of the Stock Exchange Listing Agreement of the Company. The Code is aimed at preventing any wrongdoing and promoting ethical conduct at the Board and employees. A copy of the code of conduct has been posted at the Company's website www.gemspin.com.

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management Personnel have confirmed compliance with the Code.

The declaration regarding compliance with the code of conduct as required under clause 49 of the listing agreement with the stock exchanges is appended to this report.

d) Code of Conduct for preventing of Insider Trading

The Company has adopted a code of conduct for prevention of Insider trading in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. All the Directors and Senior Management Personnel and such other designated employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company are covered under the said code. The Directors, their relatives, senior management personnel, designated employees etc., are restricted from purchasing, selling and dealing in the shares while being in possession of unpublished price sensitive information about the Company during certain prohibited periods. All Board of Directors and the designated employees have confirmed compliance with the code.

II) COMPOSITION OF BOARD COMMITTEES:

Audit Committee:

Composition:

The Audit Committee comprises of the following Directors:

1. Mr.P.P. Doddanavar – Chairman
- 2.Mr.K.M.Lal - Member
3. Mr.S.Gopal - Member

*Mr.K.M.Lal has resigned with effect from 11.11.2014

Date of Meetings:

28.05.2014, 12.08.2014, 11.11.2014, 04.02.2015

Name	Designation	No. of Meeting attended
Mr. P.P. Doddanavar	Chairman	3
Mr.K.M.Lal	Member	1
Mr.S.Gopal	Member	4

Functions of Audit Committee

The Audit Committee shall oversee financial reporting process and disclosures, review annual financial statements, management discussion and analysis of financial condition and results of operation, review adequacy of internal audit function, management letters / letters of internal control weakness issued by the statutory auditors, internal audit report relating to internal control weakness, related party transactions, review financial and risk management policies, to look into the reasons for substantial defaults in the payment to depositors, debenture / shareholders and creditors, oversee compliance with Stock Exchange and legal requirements concerning financial statements, review auditors' qualifications(draft), compliance with Accounting Standards, recommending the appointment and renewal of external Auditors / Chief internal auditors / fixation of audit fee and also approval for payment for any other services etc.

The Audit Committee of the Company provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. This is done at meetings of the committee wherein the statutory auditor, internal auditor and the senior management are present. All the Directors forming part of the committee are independent directors.

Nomination & Remuneration Committee

Composition of Nomination & Remuneration Committee:

The Nomination & Remuneration Committee comprises of the following Independent Directors:

1. Mr.P.P.Doddanavar
2. Mr.S.Gopal

Scope of the Nomination & Remuneration Committee includes the following:

The committee shall formulate the criteria for determining the qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The committee shall ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks and involves a balance between fixed and incentive pay. To review the policy from the time to time for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration. To determine and recommend to the Board from time to time the amount of commission and fees payable to the Directors within the applicable provisions of the Companies Act, 2013 and the amount of remuneration, including performance or achievement bonus and perquisites payable to the Executive Directors. The Committee shall function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modifications as may be applicable.

One meeting was held on 30th March 2015 under this committee for the Financial year ended on 31st March 2015. The details of the remuneration / sitting fees paid to the Directors during the financial year 2014-15 are as follows:

Director	Remuneration paid During Apr 14 – Mar 15 (Rs.)			
	Basic Salary	Perquisites	Sitting Fees	Total
Mr. R. Veeramani	Nil	Nil	9000	9000
Mr. P.P. Doddanavar	Nil	Nil	9000	9000
Mr. K.M.Lal	Nil	Nil	3000	3000
Mr.S.Gopal	Nil	Nil	12000	12000
Mrs. Poorana Juliet	Nil	Nil	Nil	Nil

3. Stakeholders' Relationship & Share Transfer Committee:

The Stakeholders Relationship Committee specifically looks into issues such as redressing of Shareholders' and investors' complaints such as transfer of shares, non-receipt of shares and ensuring expeditious share transfers and also redresses the grievances of deposit holders, debenture holders and other security holders.

The Committee comprises of the following Directors:

1. Mr.R.Veeramani
2. Mr.P.P.Doddanavar
3. Mr.S.Gopal

Name	Designation	No. of Meetings held	No. of Meetings Attended
Mr. R. Veeramani	Chairman	13	13
Mr. P.P.Doddanavar	Member	13	13
Mr. S.Gopal	Member	13	13

Risk Management Committee

The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures. The Designated Officials submit quarterly reports, which are reviewed periodically by the Management Committee to ensure effective risk management.

4. DISCLOSURES

a) Related party transaction:

During the year, the Promoters have brought in as unsecured loan of Rs. Nil.

b) Compliances by the company:

The Company has complied with the requirements of the Stock Exchanges, SEBI etc., on all matters related to Capital market. No penalties or strictures have been imposed on the company by the Stock Exchanges/ SEBI during the last three years.

c) Disclosure on accounting treatment:

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in preparation of financial statements, the company has not adopted a treatment different from that prescribed by any Accounting Standard. The significant accounting policies which are consistently applied have been set out in the Notes to the financial statements.

d) Whistle Blower Policy/Vigil Mechanism:

The company does not have a whistle blower policy at

present. However, a full fledge policy shall be in place once the activity in the company takes off. Further, Directors and employees are having full access to the audit committee to report their genuine and serious concern.

- e) The Company has complied with all the mandatory requirements of Clause 49 of the listing agreement and the extent of compliance of the non-mandatory requirements is given in the end of this report.

f) Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practising Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with Central Depository Services (India) Limited and the total issued and listed capital.

Quarterly Secretarial Audit Report on reconciliation of the total admitted capital with CDSL and the total issued and listed capital were carried out and furnished to the Stock Exchanges.

g) CEO / CFO Certification

A certificate as stipulated in Clause 49 of the Listing Agreement duly signed by the Compliance Officer, on financial statements of the company is enclosed to this report.

h) Certification by Auditors

Certificate from the Company's Auditors M/s. Vijay Sarathy & Company Chartered Accountants confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

5. GENERAL BODY MEETINGS

General Body Meeting	Date	Venue	Time	Special Resolution Passed At AGM
AGM for the year 31.3.2014	17.09.2014	14 Mangalam Village Kancheepuram Dist.	10.30 a.m	No
AGM for the year 31.3.2013	24.09.2013	14 Mangalam Village Kancheepuram Dist.	10.30 a.m	No
AGM for the year 31.3.2012	18.09.2012	14 Mangalam Village Kancheepuram Dist.	11.00 a.m	Yes

6. Means of communication

Half yearly and quarterly results:

- Financial reporting for the quarter ending June 30, 2014: 13.08.2014
- Financial reporting for the quarter ending Sep 30, 2014: 13.11.2014
- Financial reporting for the quarter ending Dec.31, 2014: 05.02.2015
- Financial reporting for the quarter ending Mar 31, 2015: 30.05.2015
- Annual General Meeting for the year ending Mar 31, 2015: 30th September 2015

The quarterly results are published in News Today and Makkal Kural.

No presentation has been made to International Investors or to the Analysts

7. General Shareholder Information

- AGM Date, time and venue : 30th September 2015
10.30 AM
- At Registered office at : 14, Mangalam Village
Madhuranthagam Taluk
Kancheepuram Dist
Tamilnadu - 603 107
- Financial Year : 1st April to 31st March
- Date of Book Closure : 24.09.2015 to 30.09.2015
(Both Days Inclusive)
- Dividend payment date : Nil
- Listing on Stock Exchange at : Bombay Stock Exchange,
(Listing Fees for equity paid upto 31.3.2014)
P.J. Tower, Dalal Street
Mumbai - 400 001
- Stock Code : GEMSPN 521133
(Bombay Stock Exchange)
- Market price Data : High/Low during each month in last financial year

Month & Year	Bombay Stock Exchange	
	High	Low
April 2014	-	-
May 2014	-	-
June 2014	2.90	2.62
July 2014	3.10	2.89
August 2014	-	-
September 2014	3.03	3.03
October 2014	-	-
November 2014	-	-
December 2014	3.10	3.10
January 2015	3.05	3.05
February 2015	2.90	2.76
March 2015	2.63	2.63

Registrar &

- Share Transfer Agent. : Cameo Corporate
Services Ltd
"Subramanian Building"
1, Club House Road
Chennai - 600 002

- Share transfer system : Physical and Electronic

Dematerialisation of Shares

The shares are available for trading in the Central Depository Services Limited (CDSL). So far 90.74% shares are in the dematerialized form. The International Standard Identification (ISIN) No is INE165F01020.

Distribution of Shareholding as on 31.03.2015

No. of Shares held	No. of Share Holders	% of Total	Share Amount (In Rs.)	% of Total
(1)	(2)	(3)	(4)	(5)
Upto 5000	29243	98.30	21321505	6.95
5001 10000	250	0.84	1848500	0.60
10001 20000	91	0.30	1280000	0.42
20001 30000	84	0.28	2078495	0.68
30001 40000	11	0.04	393000	0.13
40001 50000	23	0.08	1130000	0.37
50001 100000	23	0.08	1762500	0.57
100001 and above	23	0.08	277045950	90.28
TOTAL	29748	100.00	306859950	100.00

Share holding Pattern as on 31.03.2015

Category	No. of Shares held	%
Indian Promoters	42443500	69.16
Financial Institutions	12486990	20.35
Bodies Corporate	240890	0.38
Non Resident Indians	NIL	NIL
Indian Public	6179110	10.07
Others	21500	0.03
Total	61371990	100.00

Dematerialization of shares and liquidity : Central Depository Services Limited
Phiroze Jeejee Bhoj Towers
28th Floor, Dalal Street
Mumbai - 400 023

ISIN No : INE165F01020

Plant Location : No.14 Mangalam Village
Madhuranthagam Taluk
Kancheepuram District
Tamilnadu 603 107

Compliance Officer : Ms.A.Vani
Company Secretary

Address for Correspondence : Gem Spinners India Ltd
78, Cathedral Road,
Chennai 600 086
Tel : 28115190
Fax : 28114304

Email Id for Investor Grievances : secretarial@gemspin.com

Non-Mandatory Requirements:
1. Chairman of the Board

The Company maintains the office of the Chairman at its Corporate Office.

2. Shareholder's Rights :

The quarterly financial results are published in the newspapers as mentioned at 6 above. The results are not separately circulated to the shareholders.

A declaration signed by the Managing Director is given below:

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

I, R.Veermani, Managing Director of the Company, hereby declare that the Board of Directors has laid down a Code of Conduct for its Board Members and Senior Management Personnel of the Company and the Board Members and Senior Management Personnel have affirmed compliance with the said code of conduct.

For **GEM SPINNERS INDIA LIMITED**

R.Veeramani

Managing Director

Din No:00032895

Place: Chennai

Date:14.08.2015

AUDITORS REPORT OF CORPORATE GOVERNANCE

To

The Members
Gem Spinners India Limited

We have examined the compliance of conditions of Corporate Governance by Gem Spinners India Limited, for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **Vijay Sarathy & Co**

Chartered Accountants

Regn No.:004695S

P.Srikanth

Partner

M. No: 204279

Place: Chennai.

Date:14.08.2015

MANAGEMENT DISCUSSION & ANALYSIS**1. INDUSTRY STRUCTURE & DEVELOPMENTS**

The Indian Textiles Industry plays an important role in the growth of the Indian economy. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country.

The Indian textile industry makes significant contribution to industrial output, employment generation and export earnings of the country. The Industry has faced unprecedented problems in many ways. Though the demand in domestic and export markets were steady, the spinning mills performance was affected due to severe shortage of power in Tamil Nadu and instability in cotton prices.

MARKETING

India is a large supplier of cotton yarn in the world market. Due to recession in global markets, volume and value of exports have come down significantly. Your Company being predominantly into the overseas market, maintained excellent relations with all its overseas customers which have been dealing with the Company over the years by adhering to quality standards, delivery schedules and competitive prices.

2. OPPORTUNITIES AND THREATS

The textile industry as such is more dependent on its raw material that is raw cotton availability. There is much scope for India to have more crops year by year due to its technology improvement and introduction of new varieties of cotton but of course subject to monsoon changes.

Increased consumer demand in the domestic market is the opportunity while erratic power supplies from the Grid and unplanned power cuts and unstable market for cotton and yarn due to Global factors are the threats.

3. SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

The Company is in the business of manufacture and export of cotton yarn and grey fabrics and also trade in the same commodity and accordingly trading is considered as a segment.

4. OUTLOOK

The cotton price has almost stabilized and the industry expects to improve its margin during the year. It is hoped the Government of India will intervene with some relief packages to improve the exports. Barring the above situation, the Company's performance will be good in the coming years.

5. RISKS AND CONCERNS

Cotton being an agricultural commodity depends on monsoon. Any failure on monsoon and availability of cotton will affect the cotton yarn manufacturing industry and frequent escalating cotton prices also contribute uncertainty in the profit margin.

However, fluctuation in cotton price, exchange rates, availability of labour, increasing fuel rates to contain the inflation and power are threats to the industry.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate internal control system

to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audit, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial statements and other data for maintaining accountability of assets.

7. DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

This has already been reported as Review of Operation in the Directors Report.

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

Your Company recognizes the value of Human Resources for its growth and development and it maintains cordial and satisfactory relationship with their employees and workers and always concerned about the welfare of the workforce. Training and development is a continuous process.

9. CAUTIONARY STATEMENT

The projections and perceptions are subjected to various external factors from Government, market, supply and demand and other factors.

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF M/S. GEM SPINNERS INDIA LIMITED****Report on the Financial Statements.**

We have audited the accompanying financial statements of Gem Spinners India Limited, ("the Company") which comprise the Balance Sheet as at March 31, 2015, Statement of Profit and Loss & the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the act") with respect to the preparation and presentation 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 includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies

making judgements and estimates, that are reasonable and prudent and the design, implementation and maintenance of adequate financial controls, 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the act. Those standards require that we comply that 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and operating effectiveness of the such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 qualified audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the company as at 31st March 2015, its profit / loss and its cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government

of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Companies Act 2013, 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 purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss & the Cash Flow Statement comply with the Accounting Standards specified under the Section 133 of the act, read with rule 7 in Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of of sub-section (2) of section 164 of the act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company is not having any pending litigations on its financial position in its financial statements for the year ending 31st March 2015;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Vijay Sarathy & Co.,
Chartered Accountants
Firm Registration No: 004695S

P.Srikanth
Partner
M. No: 204279

Place: Chennai
Date: 14.08.2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Our Independent Auditors' Report to the members of the company on the financial statements for the year ended 31st March 2015, we report that

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner at reasonable intervals by the management. According to the information and explanations given to us, no material discrepancies were observed by the management on such verification.
- (ii) (a) The stock of inventory has been physically verified by the management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size and nature of its business.
- (c) The company is maintaining proper records of inventory. No material discrepancy was noticed on such physical verification.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, 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. Consequently the provisions of clause (iii) (a) (b) and (c) are not applicable to the company.
- (iv) In our opinion and according to the explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The company has not accepted any deposits from the Public during the year.
- (vi) Central Government has prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act and such accounts and records have been prepared and maintained by the company.
- (vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amount deducted or accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, wealth tax, service tax, value added tax, cess and other material statutory dues have been regularly deposited by the Company with the

appropriate authorities. As explained to us, the Company is having the following dues:

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
ESIC	ESI	0.12	2014-15	ESIC

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax wealth tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

- (b) However, according to the information and explanations given to us, the following dues of income tax and employees' state insurance have not been deposited by the company on account of disputes.

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Service Tax	Service Tax	58.60	2004-07, 2008-09, 2010-11 2011-12	CESTAT
Sales Tax	Sales Tax	11.42	2005-06 to 2009-10	Commercial Tax

- (c) According to the information and explanations given to us, the amounts which were required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has accumulated losses of Rs. 3262.15 lakhs as at March 31, 2015 and 3252.29 lakhs as at March 31, 2014 and has incurred cash profit of Rs. 816.88 lakhs in the financial year ended March 31, 2015 as against a cash profit of Rs, 220.47 lakhs in the immediately preceding financial year.
- (ix) The company did not have any outstanding dues to financial institutions, banks during the year.
- (x) In our opinion and according to the information and explanations given to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported, during the course of our audit.

For Vijay Sarathy & Co.,
Chartered Accountants
Firm Registration No: 004695S

P.Srikanth
Partner
M. No: 204279

Place: Chennai
Date: 14.08.2015

BALANCE SHEET AS AT 31ST MARCH 2015

in Rupees

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
EQUITY AND LIABILITIES			
SHARE HOLDERS' FUNDS			
Share Capital	1	306,859,950.00	306,859,950.00
Reserves and Surplus	2	(306,494,972.84)	(305,509,053.11)
NON CURRENT LIABILITIES			
Long Term borrowings		Nil	Nil
Deferred Tax liabilities		Nil	Nil
Other Long term liabilities	3	128,720,405.97	128,720,405.97
		128,720,405.97	128,720,405.97
CURRENT LIABILITIES			
Short Term Borrowings	4	824,907.57	Nil
Trade Payables	5	11,601,798.26	94,426,804.30
Other Current liabilities	5(a)	18,035,950.37	20,803,549.82
Short-term provisions	5(a)	1,412,791.90	1,488,160.90
		31,875,448.10	116,718,515.02
		160,960,831.23	246,789,817.88
ASSETS			
NON CURRENT ASSETS			
Fixed Assets	6		
Gross Block		806,949,445.94	806,240,539.94
Less: Depreciation		697,373,557.37	614,698,863.33
Net Block		109,575,888.57	191,541,676.61
INTANGIBLE ASSETS			
Capital work-in-progress		Nil	Nil
		Nil	Nil
Deferred Tax Assets(net)		11,629,534.00	11,629,534.00
Long -term Loans and Advances	7	5,041,279.88	1,901,641.88
Other non-current Assets	8	3,032,981.60	2,512,176.60
		19,703,795.48	16,043,352.48
CURRENT ASSETS			
Inventories	9	10,015,218.92	10,039,689.92
Trade Receivables	10	14,851,742.25	14,399,543.93
Cash & Bank Balances	11	468,913.20	5,506,198.02
Other Current Assets	12	6,345,272.81	9,259,356.92
		31,681,147.18	39,204,788.79
		160,960,831.23	246,789,817.88

For and on behalf of the Board

As per our report of even date

R.Veeramani
 Managing Director
 Din No: 00032895

P.P. Doddanavar
 Director
 Din No: 00960514

For VIJAY SARATHY & CO
 Chartered Accountants
 Firm Regn. No.: 004695S

Place : Chennai
 Date : 14.08.2015

A.Vani
 Company Secretary

G.Senthilvel
 Chief Financial Officer

P. Srikanth
 Partner
 M. No. 204279

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH-2015

in Rupees

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31.03.2015	FOR THE YEAR ENDED 31.03.2014
REVENUE			
Revenue from operations	13	133,551,699.68	131,835,478.68
Other Income	14	95,197,366.04	42,597,586.83
Total Revenue		228,749,065.72	174,433,065.51
EXPENSES			
Purchases of Stock-in-Trade	15	128,842,189.57	123,097,496.81
Employees benefits expenses	16	4,736,124.87	5,530,205.82
Finance Costs	17	77,795.48	178,960.73
Depreciation and amortization expense	6	82,674,694.04	23,066,155.47
Other expenses	18	13,404,181.49	23,579,200.73
Total Expenses		229,734,985.45	175,452,019.56
PROFIT / (LOSS) BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX		(985,919.73)	(1,018,954.05)
Exceptional items		-	-
PROFIT/ (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX		(985,919.73)	(1,018,954.05)
Extraordinary Item		-	-
PROFIT/ (LOSS) BEFORE TAX		(985,919.73)	(1,018,954.05)
Deferred Tax			
PROFIT/(LOSS)FOR THE PERIOD FROM CONTINUING OPERATIONS		(985,919.73)	(1,018,954.05)
PROFIT/(LOSS)FROM DISCONTINUING OPERATIONS		-	-
TAX EXPENSES OF DISCONTINUING OPERATIONS		-	-
PROFIT/(LOSS)FROM DISCONTINUING OPERATIONS AFTER TAX		-	-
PROFIT/(LOSS) FOR THE PERIOD		(985,919.73)	(1,018,954.05)
EARNINGS PER EQUITY SHARE			
(1) BASIC		(0.02)	(0.02)
(2) DILUTED		-	-

NOTES FORMING PART OF ACCOUNTS

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For and on behalf of the Board

As per our report of even date

R.Veeramani
 Managing Director
 Din No: 00032895

P.P. Doddanavar
 Director
 Din No: 00960514

For VIJAY SARATHY & CO
 Chartered Accountants
 Firm Regn. No.: 004695S

Place : Chennai
 Date : 14.08.2015

A.Vani
 Company Secretary

G.Senthilvel
 Chief Financial Officer

P. Srikanth
 Partner
 M. No. 204279

NOTE 1.
SHARE CAPITAL
Authorised:

90,000,000 Equity Shares of Rs.5/- each

Issued,Subscribed & Paidup:

61,371,990 Equity Shares of Rs.5/- each fully paid up

31.03.2015 Rs.	31.03.2014 Rs.
450,000,000.00	450,000,000.00
306,859,950.00	306,859,950.00

(A) Reconciliation of Share Capital

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	61,371,990	306,859,950	61,371,990	306,859,950
Shares issued during the year	---	---	---	---
Shares bought back during the year	---	---	---	---
Shares outstanding at the end of the year	61,371,990	306,859,950	61,371,990	306,859,950

(B) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

S.No.	Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
		No. of Shared held	% of Holding	No. of Shared held	% of Holding
1	Mr. R. VEERAMANI	12,692,166	20.68	12,692,166	20.68
2	Mr. S.R. ASAITHAMBI	10,174,638	16.58	10,174,638	16.58
3	Mr. R. SEKAR	9,743,348	15.87	9,743,348	15.87
4	Mr. S.R. KUMAR	9,743,348	15.87	9,743,348	15.87
5	IDBI BANK LIMITED	7,565,000	12.33	7,567,500	12.33
6	ICICI BANK LIMITED	4,921,790	8.02	4,921,790	8.02

NOTE 2
RESERVES & SURPLUS

Capital- Reserve

Profit & Loss Account

31.03.2015 Rs.	31.03.2014 Rs.
19,719,617.83	19,719,617.83
(326,214,590.67)	(325,228,670.94)
(306,494,972.84)	(305,509,053.11)
128,720,405.97	128,720,405.97
306,531.57	-
518,376.00	-
824,907.57	-
11,601,798.26	94,426,804.30
12,509,017.96	-
5,526,932.41	20,803,549.82
1,412,791.90	1,488,160.90
19,448,742.27	22,291,710.72

NOTE 3.
OTHER LONG TERM LIABILITIES

Unsecured Loans

NOTE 4.
SHORT TERM BORROWINGS

LAKSHMI VILAS BANK

Sundaram Finance - Car Loan

NOTE 5.
TRADE PAYABLES

Trade Payables

NOTE 5(a)
OTHER CURRENT LIABILITES

Bills Receivable - LVB

Expenses / Outstandings Payable

Short term provisions

**NOTE 6
FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	TOTAL AS ON 01.04.2014	ADDITIONS	DELETIONS	TOTAL AS ON 31.03.2015	UP TO 31.03.2014	FOR THE YEAR	DEDUCTION AS ON 31.03.2015	TOTAL AS ON 31.03.2015	S.L.M. VALUE AS ON 31.03.2014	S.L.M. VALUE AS ON 31.03.2015
	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.
1. LAND	9329704.12	50000.00	0.00	9379704.12	0.00	0.00	0.00	0.00	9379704.12	9329704.12
2. BUILDING	68440482.93	0.00	0.00	68440482.93	37581694.08	0.00	0.00	37581694.08	30858788.85	30858788.85
3. PLANT & MACHINERY	701731420.74	0.00	0.00	701731420.74	556517301.49	82674694.04	0.00	639191995.53	62539425.21	145214119.25
4. OFFICE EQUIPMENTS, FURNITURE AND FITTINGS	5361417.52	0.00	0.00	5361417.52	5296534.32	0.00	0.00	5296534.32	64883.20	64883.20
5. VEHICLES	2996050.05	658906.00	0.00	3654956.05	1522115.68	0.00	0.00	1522115.68	2132840.37	1473934.37
6. MISCELLANEOUS ASSETS	18381464.58	0.00	0.00	18381464.58	13781217.75	0.00	0.00	13781217.75	4600246.83	4600246.83
TOTAL	806,240,539.94	708906.00	0.00	806,949,445.94	614,698,863.33	82,674,694.04	0.00	697,373,557.37	109,575,886.57	191541676.61

NOTE 7.
LOANS AND ADVANCES

(Unsecured-considered good)

(Advances recoverable in cash or in kind or for value to be received)

NOTE 8.
OTHER NON-CURRENT ASSETS

Deposits

NOTE 9.
INVENTORIES

Stock-Stores

Finished Goods

NOTE 10.
TRADE RECEIVABLES

(Unsecured-considered good)

Outstanding for more than six months

Others

NOTE 11.
CASH & BANK BALANCES

Cash on Hand

Balances with Scheduled Banks in:

Current Account

Margin Money Account

Term Deposit

NOTE 12.
OTHER CURRENT ASSETS

Prepaid expenses

Income Receivable

NOTE 13.
REVENUE FROM OPERATION

Sales - Yarn

Trading Export

NOTE 14.
OTHER INCOME

Miscellaneous income

TOTAL REVENUE

	31.03.2015 Rs.	31.03.2014 Rs.
	5,041,279.88	1,901,641.88
	5,041,279.88	1,901,641.88
	3,032,981.60	2,512,176.60
	10,015,218.92	10,039,689.92
	10,015,218.92	10,039,689.92
	-	-
	14,851,742.25	14,399,543.93
	14,851,742.25	14,399,543.93
	124,007.00	41,898.00
	87,138.20	5,204,532.02
	257,768.00	257,768.00
	-	2,000.00
	468,913.20	5,506,198.02
	295,140.00	187,244.00
	6,050,132.81	9,072,112.92
	6,345,272.81	9,259,356.92
	133,551,699.68	131,835,478.68
	133,551,699.68	131,835,478.68
	95,197,366.04	42,597,586.83
	95,197,366.04	42,597,586.83
	228,749,065.72	174,433,065.51

NOTE 15.
TRADING EXPENSES
NOTE 16.
EMPLOYEES BENEFITS EXPENSES

Salaries and Wages
Staff Welfare
Contribution to Funds

NOTE 17.
FINANCE COSTS

Interest on hire purchase
Bank Charges

NOTE 18.
OTHER EXPENSES
Power and Fuel

Electricity charges

Administrative, Selling & Other Expenses

Insurance
Communication Charges
Rates and Taxes
Donation
Travelling & Conveyance
Audit Fees
Miscellaneous Expenses

Total Other Expenses

31.03.2015 Rs.	31.03.2014 Rs.
128,842,189.57	123,097,496.81
4,398,180.87	5,246,922.82
119,134.00	29,137.00
218,810.00	254,146.00
4,736,124.87	5,530,205.82
32,166.00	138,366.80
45,629.48	40,593.93
77,795.48	178,960.73
8,949,606.00	7,650,553.00
140,910.00	220,287.00
85,199.70	57,813.00
95,121.00	190,237.00
2,002.00	3,002.00
202,548.00	238,243.00
137,080.00	211,146.00
3,791,714.79	15,007,919.73
4,454,575.49	15,928,647.73
13,404,181.49	23,579,200.73

For and on behalf of the Board

R.Veeramani
Managing Director
Din No: 00032895

A.Vani
Company Secretary

P.P. Doddanavar
Director
Din No: 00960514

G.Senthilvel
Chief Financial Officer

As per our report of even date

For VIJAY SARATHY & CO
Chartered Accountants
Firm Regn. No.: 004695S

P. Srikanth
Partner
M. No. 204279

NOTE 19

NOTES FORMING PART OF ACCOUNTS

1. CORPORATE PROFILE:

Gem Spinners India Limited was incorporated as a Public Limited Company on 18th October 1990. The Company's shares are listed in Bombay Stock Exchange.

The Company has set up a plant for the Manufacture of Cotton yarn and Grey Fabrics at No.14 Mangalam Village, Kancheepuram District, Tamil Nadu.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

- i) The financial statements have been prepared under the historical cost concept and in accordance with Generally Accepted Accounting Policies, the mandatory Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and relevant provisions of Companies Act, 2013, as adopted consistently by the Company.
- ii) The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
- iii) All inventories and stores & spares are valued at cost or net realizable value whichever is lower.

3. USES OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make judgements, estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future period.

4. FIXED ASSETS

- i) Tangible fixed assets are stated at cost of acquisition (net of CENVAT/ VAT wherever applicable) less accumulated depreciation/ amortization and impairment losses if any, except free hold land which is carried at cost less impairment losses if any. The cost comprises purchase prices, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure relating to an item of fixed asset is added to its book value only if it increases the future benefits from the asset beyond its previous assessed standard of performance. All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit

and loss for the period as and when they occur.

- ii) Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule II of the Companies Act, 2013.
- iii) Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognized in the statement of profit and loss.

5) INVENTORIES

Stores and Spares are valued at cost.

6) REVENUE RECOGNITION

i) Sales of Goods

Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Sale of products is recognized when the significant risk and reward of ownership of the goods have been passed to the buyer. Sale value excludes excise duty, education cess, secondary and higher education cess, CST and VAT.

ii) Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) Export Benefits:

Export entitlements in the form of Duty Drawback and other schemes are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

7) BORROWING COST

Borrowing Costs directly attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets as per Accounting Standard 16. All other borrowing costs are charged to revenue.

8) DEPRECIATION

Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule II of the Companies Act, 2013 except Plant & Machinery based on useful life ascertained for such asset.

9) EMPLOYEE BENEFITS

Short Term

Short term employee benefits viz., salaries and wages are recognised as expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

Long Term Post Retirement
Provident Fund

Provident Fund is a defined contribution scheme and the contributions is recognised as an expenses in the Profit & Loss Account for the year in which the employees have rendered services. The company contributes to provident fund administered by the Government on a monthly basis at 12% of employees basic salary. There are no other obligation other than the above defined contribution plan.

State Defined Contribution Plans
Employees' Pension Scheme 1995

The Provident Fund and the State Defined Contribution Plans are operated by the Regional Provident Fund Commissioner.

Gratuity

Gratuity is a defined benefit retirement plan. The Company contributes to the Scheme with Life Insurance Corporation of India based on actuarial valuation done by them as at the close of the financial year.

Leave Encashment

The Company normally allows its employees to utilize the leave.

10) FOREIGN CURRENCY TRANSACTION

Foreign Currency Transactions are recorded at the rate of exchange prevailing on the date of the transaction. Exchange differences arising on actual payment / realisation referred are adjusted in the statement of profit & loss.

11) PROVISIONS, CONTINGENT LIABILITES AND CONTINGENT ASSETS

- Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as result of past events and it is probable that there will be outflow of resources.
- Contingent Liabilities (Service Tax & Sales Tax): Rs.70.02 Lakhs (Rs.61.52 Lakhs)
- Contingent Assets are not recognised.

12) SEGMENT REPORTING :

The Company is engaged in the business of manufacture and export of cotton yarn and grey fabrics and also trade in the same commodity and accordingly trading is considered as a segment.

13) IMPAIRMENT :

Consideration is given at each balance sheet to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If

any indication exists an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds recoverable amount.

NOTE NO. 20
OTHER DISCLOSURES AND ADDITIONAL INFORMATION AS PER REQUIREMENTS IN REVISED SCHEDULE III OF THE COMPANIES ACT 2013
(A) OTHER DISCLOSURES
1. EMPLOYEE BENEFIT PLANS

As per Accounting Standard 15, Employee Benefit, the disclosure of employees benefits are given below: Rs.

S.No	Particulars	2014-15	2013-14
a)	Contribution to Provident Fund	84724	130109
b)	Contribution to employees' pension scheme 1995	134086	124037

S.No	Particulars	Gratuity
		2014-15
i)	Discount Rate (Per annum)	8%
ii)	Rate of increase in compensation Levels	5%
iii)	Rate of return on Plan Assets	8%
iv)	Expected Average remaining working Lives of employees in no of years	58 yrs

2. The debit and credit balances of parties are subject to confirmation.

3. In the absence of taxable income as per the provisions of the Income Tax Act, 1961, no provision has been made for taxation in the accounts.

4. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as the year end together with interest paid / payable as required under the said Act have not been given.

5. Disclosures in respect of provisions pursuant to Accounting standard – 29 Rs.in Lakhs

Particulars	Opening Balance 01.04.2014	Provided during the Year	Utilized During the Year	Reversed During the Year	Closing Balance 31.03.2015
Service Tax	50.10	8.50	Nil	Nil	58.60
Sales Tax	11.42	Nil	Nil	Nil	11.42

6. Interest on others in Schedule – 12 is net of interest income of Rs. 1.17 Lakhs (Nil)

7. Disclosure under Accounting Standard 17 – SEGMENT REPORTING

Segment Reporting for the year ended 31.03.2015 (Rs. in Lakhs)

S. No	Particulars	Year Ended on 31.03.2015	Year Ended on 31.03.2014
1	Segment Revenue / Income		
	a. Mill	0	0
	b. Trading	1335.52	1318.35
	Total	1335.52	1318.35
2	Segment Results		
	a. Mill	(1008.13)	(407.82)
	b. Trading	47.10	87.38
	Total	(961.03)	(320.44)
	Add: Unallocable Income	951.96	312.04
	Less: Interest – Unallocable Expenditure	0.79	1.79
	Tax [(including - FBT) / (+) Deferred Tax]	0	0
	Prior year Excess provision of interest written back	0	0
		(9.86)	(10.19)
3	Capital Employed (Segment Assets - Segment Liabilities)		
	a. Mill	(1.94)	(775.13)
	b. Trading	Nil	Nil

8. Loans and Advances for the year under report from the Group Company is Nil.

9. Earnings Per Share:

Particulars	2014 – 15 (Rs. in Lakhs)	2013 -14 (Rs. in Lakhs)
Net Loss as disclosed in Profit & Loss Account	(9.86)	(10.19)
Net Loss attributable to the Equity shareholders	(9.86)	(10.19)
Weighted average Equity Shares		
Basic and diluted Earnings Per Share (face value of Rs.5 each)	Nos	Nos
	61371990	61371990
Before Exceptional Items	(1.53)	(0.46)
After Exceptional Items	(0.02)	(0.02)

For and on behalf of the Board

R.Veeramani
Managing Director
Din No: 00032895

A.Vani
Company Secretary

Place : Chennai
Date : 14.08.2015

10. As per the Accounting Standard 18 – Related Party Transaction:

The list of the related parties as identified by company are as under:

Key Managerial Personnel:

Name of the related party	Description	Nature of Transaction	Amount (Rs. in lakhs)
Mr.R.Veeramani	Managing Director	Sitting fee	0.09
Mrs.A.Vani	Company Secretary	Salary	3.00
Mr.G.Senthilvel	Chief Financial Officer	Salary	2.55

11. AUDITORS' REMUNERATION (Rs. in Lakhs)

Particulars	2014 – 15	2013 – 14
Statutory Audit Fees	1.37	2.11
Certification	Nil	Nil
Cost Audit Fees	Nil	Nil

12. Additional Information as required in Revised Schedule III of the Companies Act, 2013. Rs.in Lakhs

PARTICULARS	2014 – 15	2013 - 14
1) Sales, Production & Stocks	Nil	Nil
2)Traded Good (Cotton Yarn)		
a) Purchase	1241.11	1236.49
b) Sales	1300.64	1297.60
3) Raw Material Consumed	Nil	Nil
4) Value of Imports - CIF	Nil	Nil
5) Value of Consumption – Stores, Spares & Packing Materials	Nil	Nil
6) Expenditure on Foreign Currency		
a) Commission	22.14	18.40
b) Travel	Nil	Nil
7) Earnings in Foreign Exchange Export of Goods in FOB value	1300.64	1297.60

13. The company has obtained loan as follows:

Directors	- Interest Free
Lakshmi Vilas Bank (OD)	- 20.60%
Sundaram Finance LTD Car Loan	- 11.38%

14. Previous years' figures have been regrouped and rearranged wherever necessary so as to confirm the current years' presentation. Figures in brackets represent previous years' figures.

As per our report of even date

P.P. Doddanavar
Director
Din No: 00960514

For VIJAY SARATHY & CO
Chartered Accountants
Firm Regn. No.: 004695S

G.Senthilvel
Chief Financial Officer

P. Srikanth
Partner
M. No. 204279

CASH FLOW STATEMENT

Particulars		For the year ended 31st March 2015	For the year ended 31st March 2014
A. Cash Flow from operating activities			
Profit/(Loss) for the year		(985920)	(1,018,954)
Adjustments for :			
Depreciation		82674694	23,066,155
Interest and Finance		77795	178,961
Deferred expenses written off		0	-
Less : Interest/Dividend Income		0	0
Operating Profit before Working Capital Changes	A	81,766,570	22,226,162
Adjustments for :			
Inventories		-	0
Loans and Advances		(3,139,638)	20,766
Other Current Assets		2,417,750	7,130,065
Miscellaneous Expenditure		-	-
Debtors		(452,198)	10,153,077
Current Liabilities		(84843067)	(29601239)
	B	(86,017,153)	(12,297,330)
Cash generated from Operations (A+B = C)	(A+B = C)	(4,250,583)	9,928,832
Interest and Finance Charges	D	(77795)	(178,961)
Net Cash from Operating Profit	(C-D = E)	(4,328,378)	9,749,871
B. Cash flow from investing activities			
Purchase of fixed assets		(708,906)	(654,300)
Interest received		-	0
Bank Deposits		2,000	246,704
Net Cash used in investing activities		(706,906)	(407,596)
C. Cash Flow from financing activities			
Preferential Issue of Shares to Financial Institutions		-	-
Proceeds from long term borrowings		-	(5,014,291)
Proceeds from short term borrowings		0	0
Net Cash used in Financing Activities		-	(5,014,291)
Net increase in cash and cash equivalents		(5,035,284)	4,327,983
Cash and cash equivalents as at 31.3.2014 (Opening Balance)		5,246,430	918,446
Cash and Cash equivalents as at 31.3.2015 (Closing Balance)		211,145	5,246,430

For and on behalf of the Board

As per our report of even date

R.Veeramani
Managing Director
Din No: 00032895

P.P. Doddanavar
Director
Din No: 00960514

For VIJAY SARATHY & CO
Chartered Accountants
Firm Regn. No.: 004695S

Place : Chennai
Date : 14.08.2015

A.Vani
Company Secretary

G.Senthilvel
Chief Financial Officer

P. Srikanth
Partner
M. No. 204279

GEM SPINNERS INDIA LIMITED

No.14, Mangalam Village, Madhuranthagam Taluk, Kancheepuram District, Tamil Nadu – 603 107.

FORM NO. MGT 11**PROXY FORM**

NAME OF THE COMPANY : GEM SPINNERS INDIA LIMITED CIN: L17111TN1990PLC019791

REGISTERED OFFICE : 14, MANGALAM VILLANGE, MADHURANTHAGAM TALUK,
: KANCHEEPURAM DISTRICT, TAMIL NADU

E-MAIL ID : secretarial@gemspin.com Telephone: 044 28110366

I/We being the member(s) holding _____ shares of the above named Company hereby appoint

1. Name _____

Address : _____

E.Mail.ID : _____

Signature : _____ Or failing him/her

2. Name _____

Address : _____

E.Mail.ID : _____

Signature : _____ Or failing him/her

3. Name _____

Address : _____

E.Mail.ID : _____

Signature : _____ Or failing him/her

as my/our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 25th Annual General Meeting of the Company, to be held on Wednesday, the 30th September, 2015 at 10.30 a.m at "No.14, Mangalam Village, Madhuranthagam Taluk, Kancheepuram District, Tamil Nadu and at any adjournment thereof in respect of such Resolutions, in the manner as indicated below:

Resolution No.	Description	Optional	
		For	Against
	Ordinary Business		
1.	Adoption of Audited Financial Statements for the year ended 31 st March, 2015.		
2	Re-appointment of Mr.R. Veeramani as Managing Director who retires by rotation		
3	Appointment of M/s.Vijay Sarathy & Co, Chartered Accountants, Chennai as Statutory Auditors and fixing their remuneration		
	Special Business		
4	Appointment of Mrs.Poorana Juliet as an Independent Director for a term of five consecutive years		

Signed this _____ day of _____ 2015

Affix
Re. 1
Revenue
Stamp

Signature of Shareholder: _____

Signature of Proxy holder: _____

Note:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Corporate Office of the company at 78, Cathedral Road, Chennai – 600 086 not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Note, Please refer to the Notice of the 25th AGM.
3. It is optional to put ✓ in the appropriate column against the Resolution indicated in the Box. If you leave the “For” or “Against” column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.
5. Members may note that a person shall not act as a Proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the voting share capital of the company provided that such person shall not act as a Proxy for any other person.



GEM SPINNERS INDIA LIMITED

CIN: L17111TN1990PLC019791

Registered Office: No.14, Mangalam Village, Maduranthagam Taluk, Kancheepuram District, Tamil Nadu – 603 107.

Email: secretarial@gemspin.com Phone: 044 2811 0366.

ATTENDANCE SLIP

I hereby record my presence at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company being held at No.14, Mangalam Village, Maduranthagam Taluk, Kancheepuram District, Tamil Nadu – 603 107 on Wednesday, September 30,2015 at 10.30 a.m.

Member's Folio / DP ID Client ID No.

Member's/Proxy's name in Block Letters

Member's / Proxy's Signature

Note:

- Members attending the meeting in person are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.
- The Company is offering electronic voting facility to its members in respect of ordinary / special business to be transacted at the ensuing AGM, pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014.

GEM SPINNERS INDIA LIMITED

No.14, Mangalam Village, Maduranthagam Taluk, Kancheepuram District, Tamil Nadu – 603 107

Ballot Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company:

Registered Office:

S.No	Particulars	Details
1.	Name of the First Named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered Folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialised form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manners:

S.No	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of Audited Financial Statements for the year ended 31 st March, 2015.			
2.	Re-appointment of Mr.S.Gopal as Director who retires by rotation			
3.	Appointment of M/s.Vijay Sarathy & Co, Chartered Accountants, Chennai as Statutory Auditors and fixing their remuneration			
4.	Appointment of Mrs.Poorana Juliet as an Independent Director for a term of five consecutive years			

Place:

Date:

(Signature of the Shareholder)

REGD. BOOK POST

To

If undelivered, please return to:

GEM SPINNERS INDIA LIMITED

No.14, Mangalam Village,

Madhuranthagam Taluk,

Kancheepuram District,

Tamil Nadu – 603 107