

GEM^{SPIN} SPINNERS INDIA LIMITED

TWENTY FOURTH ANNUAL REPORT

2013 - 2014

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BOARD OF DIRECTORS

Mr.R.VEERAMANI
Mr.P.P.DODDANAVAR
Mr.K.M.LAL
Mr.S.GOPAL

COMPANY SECRETARY

Ms.A.VANI

AUDITORS

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

M/s. CNGSN & ASSOCIATES

Chartered Accountants
New No.20, Old No.13, Raja Street ,
T.Nagar, Chennai – 600 017.

BANKERS

INDIAN OVERSEAS BANK
LAKSHMI VILAS BANK

REGISTERED OFFICE & MILLS

14, Mangalam Village, Madhuranthagam Taluk
Kancheepuram District, Tamil Nadu

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.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the shareholders of GEM SPINNERS INDIA LIMITED, Chennai will be held on the Wednesday, the 17th September 2014 at 10.30 a.m. at No.14 Mangalam Village, Madhuranthagam Taluk, Kancheepuram District, Tamil Nadu to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2014, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. S.Gopal who retires by rotation and being eligible, offers himself for re-appointment.
3. To reappoint M/s. Vijai Sarathy & Co, Chartered Accountants (Firm Regn. No.004695S), as statutory auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the Twenty Seventh consecutive AGM and to fix their remuneration and to pass the following resolution thereof.

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. Vijai Sarathy & Co, Chartered Accountants (Firm Regn. No.004695S) be and is hereby appointed as auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of Twenty Seventh consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors".

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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013,

Mr.P.P.Doddanavar, Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years upto 31st March 2019."

5. 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.K.M.Lal, Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years upto 31st March 2019."

6. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard it is to consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with companies Rules, 2014 (including statutory modification (s) or re-enactments thereof, for the time being in force) the draft regulation contained in the Articles of Association submitted to this meeting be and is hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT superceding the earlier resolution passed at the Board of Directors Meeting held on 18.06.2009, the listing of the Company with Delhi Stock Exchange be delisted with effect from that date and the Directors / Company Secretary of the Company be and is hereby authorised to take necessary steps for voluntary delisting and to make arrangements to publish the same in the newspaper."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT the listing of the Company with Madras Stock Exchange be delisted with immediate effect subject to the procedures stipulated by such Exchange and that the Directors / Company Secretary of the Company be and is hereby authorised to take necessary steps to make the delisting effective."

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

Place: Chennai - 86
Date : 12.08.2014

A. Vani
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
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 Tuesday the 09-09-2014 to Wednesday the 17-09-2014 (both days inclusive) for the purpose of AGM at GEM SPINNERS India Ltd., 78, Cathedral Road, Chennai - 600 086.
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 addresses to the Registrar and Share Transfer Agent – M/s. Cameo Corporate Services Ltd., "Subramanian Buildings", 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. As mentioned above in Point No.5 Electronic copy of the AGM Notice of the Company inter alia indicating the process and manner of e-voting along with 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 24th 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* | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 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. |

| | |
|------------------------|--|
| 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# | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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 AM on 11th September, 2014 to 6.00 PM on 13th September, 2014

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 14th August, 2014, 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.

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, ievoting 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

Mr P.P.Doddanavar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 06/12/1993 Mr. P.P.Doddanavar is a member of the Audit Committee, Share Transfer and Investors Grievances Committee and Remuneration Committee of the Board of Directors of the Company.

Mr. P.P.Doddanavar holds directorship in the following Companies in India.

| S.No | Name of the Company | Designation |
|------|--|-------------|
| 1 | Eco Cane Sugar Energy Limited | Director |
| 2 | Shiraguppi Sugar Works Limited | Director |
| 3 | Doddanavar Nanjinzha Mining & Metallurgy Private Limited | Director |
| 4 | Doddanavar Global Energy Private Limited | Director |

He does not hold any shares in the Company.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. P.P.Doddanavar, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Mr. P.P.Doddanavar as a candidate for the office of Director of the Company.

Based on the declaration received from the appointee director and in the opinion of the Board, Mr P.P.Doddanavar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr P.P.Doddanavar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. P.P.Doddanavar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. P.P.Doddanavar, as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. P.P.Doddanavar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.5

Mr K.M Lal is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 06/12/1993 Mr K.M Lal is a member of the Audit Committee and Remuneration Committee of the Board of Directors of the Company.

Mr. K.M Lal holds directorship in the following Companies in India.

| S.No | Name of the Company | Designation |
|------|--|-------------|
| 1 | SREI Capital Markets Limited | Director |
| 2 | Panacea Biotech Limited | Director |
| 3 | Hindustan Wires Ltd | Director |
| 4 | Polylink Polymers (India) Limited | Director |
| 5 | Gem Sugars Limited | Director |
| 6 | KMC Energy Private Limited | Director |
| 7 | Lexicon Public Relations And Corporate Consultants Private Limited | Director |

He does not hold any shares in the Company.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr.K.M Lal, being eligible

and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Mr. K.M Lal as a candidate for the office of Director of the Company.

Based on the declaration received from the appointee director and in the opinion of the Board, Mr K.M Lal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr K.M Lal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. K.M Lal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. K.M Lal, as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. K.M Lal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

The existing AoA of the Company is based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act 2013 ("The Act").

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as

variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The proposed new draft AoA would be available for inspection without any fee by the members at the Corporate Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item No.7 & 8

In pursuant to SEBI circular regarding the closure of Regional Stock Exchanges, considering the listing status in both Exchanges Viz Delhi Stock Exchange, your Board of Directors thought it fit to effect the earlier resolution passed for delisting from Delhi Stock Exchange and take your approval for delisting from Madras Stock Exchange as well, since same requires the approval of shareholders in the General Meeting

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 & 8 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 & 8 of the Notice for approval by the shareholders.

DIRECTORS' REPORT FOR THE YEAR 2013 – 2014

Your Directors have pleasure in presenting the 24th Annual Report on the performance of our Company along with the Audited Balance Sheet and Profit and Loss Account for the year ended 31.03.2014.

Financial Results

| Particulars | 2013-14 Rs. in Lakhs | 2012-13 Rs. in Lakhs |
|-------------------------|-------------------------|-------------------------|
| SALES | | |
| Export | 1318.35 | 1046.58 |
| | 1318.35 | 1046.58 |
| Operating Profit | 222.26 | 125.20 |
| Less: Financial Charges | 1.79 | 157.52 |
| Gross Profit | 220.47 | (32.33) |
| Less : Depreciation | 230.66 | 29.60 |
| Loss before Tax | (10.19) | (61.93) |
| Net (Loss) / Profit | (10.19) | (61.93) |
| Accumulated Loss | (3252.29) | (3242.10) |

Review of Operations

Your Company has achieved a Trading Turnover of Rs.1318.35 Lakhs during the year under review as against Turnover of Rs.1046.58 Lakhs in the previous year. The Operating Profit was of the order of Rs. 222.26 Lakhs as compared to the previous year profit of Rs.125.20 Lakhs.

Your Directors have to report a Net Loss of Rs.10.19 Lakhs for the year under report as against a Net Loss of Rs.61.93 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.

Dividend

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

Statutory Statements:

As per the requirements of Sec. 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 the information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure I to this report.

Particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act 1956

The particulars required pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company as none of the employees was in receipt of remuneration in excess of Rs.5,00,000 p.m.

As required under Section 217(2AA) of the Companies Act 1956, the Directors' Responsibility Statement is enclosed in Annexure II to this Report.

Directors

The Company has, pursuant to the provisions of clause 49 of the Listing Agreement entered into with the Stock Exchange has appointed Mr. P.P.Doddanavar and Mr. K.M.Lal as Independent Directors of the Company. The Company has received declarations from the retiring independent director as well as the appointee independent directors, that they meet the criteria of independence, as prescribed both under sub-section (6) of Section 149 of the Companies Act 2013 and under the said clause 49. In accordance with the provisions of section 149(4) and section 152 (5) of the Companies Act, 2013, Mr. P.P.Doddanavar and Mr. K.M Lal are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

Mr.S.Gopal, Director of the Company retires by rotation and being eligible, offers himself for reappointment, in accordance with the requirements of Companies Act, 2013..

Deposits

Your Company has not accepted any deposit from the Public during the year under review.

Auditors

M/s. Vijai Sarathy & Co., Auditor of the company retires at this Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed and there is no joint auditor from this Financial year i.e 2014-15

Acknowledgement:

The Directors wish to place on record their appreciation for the assistance received from Indian Overseas Bank, Lakshmi Vilas Bank, State and Central Government Authorities. The Directors also wish to acknowledge the active co-operation extended by workers and staff at all levels.

On behalf of the Board

Place : Chennai - 86 **R.Veeramani** **P.P.Doddanavar**
Date : 12.08.2014 Managing Director Director

ANNEXURE I TO THE DIRECTORS' REPORT

Additional Information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

I. Conservation of Energy

FORM A

Form for Disclosure of Particulars with respect to conservation of Energy - Not Applicable

FORM B

Form for Disclosure of Particulars with respect to Technology Absorption - Not Applicable

II. Foreign Exchange Earnings and Outgo – Not Applicable

III. Development of new export markets for products and services – Not Applicable

IV. Total foreign exchange used and earned:

| | 2013-14 | 2012-13 (Rs. In Lakhs) |
|--|---------|---------------------------|
| I) CIF value of imports (Raw material, Spares & Capital goods) | Nil | Nil |
| ii) Expenditure in foreign currency (Travel and Commission) | 38.83 | 28.98 |
| iii) Foreign exchange earned | 1297.60 | 1016.68 |

On behalf of the Board

Place : Chennai - 86

Date : 12.08.2014

R. Veeramani

Managing Director

P.P.Doddanavar

Director

Annexure II

Directors' Responsibility Statement

(Pursuant to Section 217(2AA) of the Companies Act 1956)

Your Directors report that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed and that there were no material departures.
- The accounting policies have been selected and applied 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 and loss of the Company for the year 31st March 2014.
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities has been taken.
- The Annual accounts have been prepared on a going concern basis.

On behalf of the Board

Place : Chennai - 86

Date : 12.08.2014

R. Veeramani

Managing Director

P.P.Doddanavar

Director