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**THAMBBI MODERN  
SPINNING MILLS LIMITED**

**37<sup>th</sup>**

**ANNUAL REPORT**

**2014-2015**

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### **BOARD OF DIRECTORS**

R. Jagadeesan - Managing Director  
Malathi Jagadeesan - Non Executive Director  
M. Pugazhendhi - Independent Director  
Ashok P. Shah - Independent Director

### **AUDITORS**

M/s. Sankaran & Krishnan  
Chartered Accountants  
Chennai 34

### **REGISTERED OFFICE & UNIT I**

Omalur Road, Jagir Ammapalayam Post, Salem 636 302  
T : +91 0427 2345425  
[www.thambimodern.com](http://www.thambimodern.com)  
email : [tmsml@gmail.com](mailto:tmsml@gmail.com)

### **UNITS II & III**

Opp. TNEB Sub Station  
Udayapatti By-pass Road  
Kamaraj Nagar Colony Post  
Salem 636 014

### **REGISTRAR & TRANSFER AGENTS**

Cameo Corporate Services Limited  
Subramanian Building, V Floor,  
No.1, Club House Road, Chennai 600 002  
Ph : 044 28420390  
email : [cameo@cameoindia.com](mailto:cameo@cameoindia.com),

### **BANKER**

**ICICI Home Finance Company Ltd.,**  
Swarnabiga Plaza, Omalur Main Road,  
Salem - 9

Notice is hereby given that the Thirty Seventh Annual General Meeting of the Company will be held at the Company's Mill Premises at Unit II, Opp. TNEB Sub Station, Udayapatti By-pass Road, Kamaraj Nagar Colony Post, Salem 636 014 on Monday, the 31st August, 2015 at 10:00 A.M to transact the following business:

## **Agenda**

### **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 financial year ended on that date, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint Ms. Malathi Jagadeesan, Director retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration. In this connection, to consider and if thought fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT M/s. Sankaran & Krishnan, Chartered Accountants (Firm Regn. No. 003582S) Chennai - 600034 be and are hereby appointed as Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Board of Directors be and are hereby authorised to fix such remuneration as may be agreed upon between the Auditors and the Board of Directors.

## **Notes on Agenda**

1. The board on its meeting held on 28.05.2015 has considered and approved the Audited Balance Sheet as at 31st March, 2015 and the Profit and Loss Account for the financial year ended on that date, together with the reports of Auditors. The board on its meeting held on 15.07.2015 has considered and approved the report of directors as at 31st March, 2015. Both the reports have been placed before the members for their approval.
2. The board on its meeting held on 15.07.2015 has ascertained that Ms. Malathi Jagadeesan, Non Executive Director (Din: 00153952) is eligible for retire by rotation. She being eligible and offers herself for reappointment. Mrs. Malathi Jagadeesan, who is not subject to any disqualification for re-appointment as a director of the company under the sections 164 and 165 of the Companies Act, 2013 and has given the consent and declaration in this regard.

Hence Ms. Malathi Jagadeesan, Director who retires by rotation and being eligible, offers herself for re-appointment. This has been placed before the members for their approval.

3. The board on its meeting held on 15.07.2015 has appointed Auditors and fix their remuneration. In this connection it has been resolved as follows.

RESOLVED THAT M/s. Sankaran & Krishnan, Chartered Accountants (Firm Regn. No. 003582S) Chennai - 600034 be and are hereby appointed as Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Board of Directors be and are hereby authorised to fix such remuneration as may be agreed upon between the Auditors and the Board of Directors

## **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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 20.
4. In terms of Section 152 of the Companies Act, 2013, Ms. Malathi Jagadeesan (DIN : 00153952), Director retire by rotation at this Meeting and being eligible, offer herself for re-appointment. The Board of Directors of the Company commend her respective re-appointment. Brief notes on the background and the functional expertise of the Director proposed for re-appointment is furnished below, along with details of Companies in which he is a Director and the Board Committees of which he is a Member:

Ms. Malathi Jagadeesan, aged about 61 years. She is a science graduate having expertise and experience in the field of Textiles. She is associated with the Company from 10th October, 1994 as Director on the Board.

Details of the Directorship/Member of Committee including M/s Thambbi Modern Spinning Mills Limited held by Ms. Malathi Jagadeesan

Directorship	Membership / Chairmanship at Committees of Thambbi Modern Spinning Mills Limited
Director of M/s Thambbi Modern Spinning Mills Limited M/s Sunrise Jewelleries Private Limited M/s Jagdeesh Apartments Private Limited M/s Mangaiyaar Benefit fund Private Limited	Member of Audit Committee Chairman of Stakeholders Relationship Committee, Member of Nomination and Remuneration Committee

5. Members / Proxy are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Sundays, during business hours up to the date of the Meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from **Tuesday, the 25th August, 2015 to Monday, the 31st August, 2015** (both days inclusive).
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Cameo Corporate Services Limited, Registrar to the issue and transfer agent.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Cameo Corporate Services Limited, Registrar to the issue and transfer agent.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be requested from the Company.
12. Non – Resident Indian Members are requested to inform Cameo, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
13. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
15. The facility for voting through poll shall be made available at the Meeting and the members attending the Meeting and who have not cast their vote by remote e-voting shall be eligible to vote at the Meeting through poll by ballot paper.
16. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
17. The Board of Directors of the Company has appointed Mr. K. N Subramanian, Proprietor, K N Subramanian & Co., Company Secretaries in Practice, Coimbatore as Scrutinizer to scrutinize the Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

18. The Scrutinizer, after scrutinizing the votes cast through the poll at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.thambbimodern.com](http://www.thambbimodern.com). The results shall simultaneously be communicated to the Stock Exchanges.

**19. The instructions for shareholders voting electronically are as under:**

- i) The voting period begins on **Friday, the 28th day of August, 2015 at 9.00 A.M and ends on Sunday, the 30th day of August, 2015 at 5.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of Monday, the 24th August, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on Shareholders.
- v) 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.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

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

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the relevant Thambbi Modern Spinning Mills Limited on which you choose to vote.
- xiii) 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.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) 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.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board of Directors

Salem  
15<sup>th</sup> July 2015

R. Jagadeesan  
Managing Director  
DIN 01153985

Malathi Jagadeesan  
Director  
DIN 00153952

## Directors Report

### Performance / Operations

Your Directors have pleasure in presenting the 37th Annual Report of the Company, together with financial statements, for the year ended 31st March, 2015.

### Financial Results

Particulars	2014 – 2015 (₹ Lakhs)	2013 – 2014 (₹ Lakhs)
Revenue from Operation	246.26	131.93
Profit / (Loss) before depreciation and taxation	(62.00)	(142.12)
Depreciation	40.33	76.78
Profit / (Loss) Before Taxation	(102.33)	(218.90)
Net Profit / (Loss)	(102.33)	(218.90)

### Performance

During the year under review, your company achieved a sales turnover of Rs.105.00 Lakhs compared to sales turnover of Rs.44.00 Lakhs achieved in the previous year. The Company made cash loss of Rs.62.00 Lakhs for the financial year as against cash loss of Rs.142.12 Lakhs in the previous year. The Company has to keep the activities at low level in order to reduce the loss.

### Dividend

The Company incurred loss in the financial year. In view of this and the accumulated loss, your directors are unable to recommend any dividend for the year.

## Prospects

Our Company is currently involved in trading activity and conversion of yarn. Recently some of the existing buildings have been leased out to generate income out of non operational assets. Your Company will explore to optimize the operations to improve the revenue and profits.

## Fund Raising

Equity – Nil

## Debt

During the year, your Company has obtained Secured Loan to the tune of Rs. 5.50 Crore from M/s ICICI Home Finance Company Limited. The Company has repaid Rs. 266.76 Crore.

## Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, No employees are drawing remuneration in excess of the limits set out in the said Rules.

## Corporate Governance

Your Company is fully compliant with the Corporate Governance guidelines, as laid out in Clause 49 of the Listing Agreement. All the Directors have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company.

The details of the Code of Conduct are furnished in the Corporate Governance Report attached as **Annexure-B** to this Report. The Managing Director has given a Certificate of compliance with the Code of Conduct, which forms part of **Annexure-B**, as required under Clause 49 of the Listing Agreement.

The Statutory Auditors of the Company have examined the requirements of Corporate Governance with reference to Clause 49 of the Listing Agreement and have certified the compliance, as required under Clause 49 of the Listing Agreement. The Certificate in this regard is attached as **Annexure-C** to this Report.

The Managing Director / Chief Financial Officer (CEO/CFO) certification as required under Clause 41 of the Listing Agreement is attached as **Annexure-D** to this Report.

## Directors and Key Managerial Personnel

The designation of Mr. R. Jagadeesan, has been changed from Chairman Cum Managing Director to Managing Director w.e.f 11.03.2015.

During the year under review, Ms.Malathi Jagadeesan, Non-Executive Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers herself for re-appointment.

Mr.Ashok P Shah and Mr. M. Pugazendhi have been reappointed as Independent Directors for a term of five years from 11.03.2015 to 31.08.2019 on non-rotational basis.

The Reappointment of Mr.Ashok P Shah and Mr. M. Pugazendhi as independent directors and change in designation of Mr. R. Jagadeesan from Chairman cum Managing Director to Managing director have been passed through postal ballot/e-voting w.e.f 11.03.2015.

The Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149(7) of the Companies Act, 2013 and that there is no change in their status of Independence.

Mr.R. Jagadeesan, Managing Director is the “Key Managerial Personnel” of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## Auditors

M/s. Sanakaran & Krishnan, Chartered Accountants (Firm Regn. No.003582S) retire at the close of this Annual General Meeting and are eligible for appointment. The Company has received confirmation from M/s. Sanakaran & Krishnan, Chartered Accountants regarding their consent and eligibility under Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for appointment as the Auditors of the Company.

As required under Clause 41 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Audit Committee and the Board of Directors have recommended the appointment of the Auditors for the financial year 2015-16. The necessary resolution is being placed before the shareholders for approval.

### Cost Auditor

Appointment of Cost Auditor is not applicable to our Company.

### Compliance under Companies Act, 2013

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements and the detail of compliances under Companies Act, 2013 are enumerated below:

### Extract of Annual Return

An extract of Annual Return in Form MGT-9 as on March 31, 2015 is attached as **Annexure-G** to this Report.

### Board Meetings held during the year

During the year, 10 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as **Annexure-B** to this Report.

### Directors' Responsibility Statement

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

- a) in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b) for the financial year ended March 31, 2015, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended March 31, 2015.
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual financial statements have been prepared on a going concern basis.
- e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### Remuneration Policy of the Company

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report which is attached as **Annexure-B** to this Report.

### Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of Mr. K N Subramanian, Proprietor, M/s K N Subramanian & Co., Company Secretaries in Practice, Coimbatore to conduct the Secretarial Audit of the Company for the financial year ended March 31st, 2015. The Secretarial Audit Report (in Form MR-3) is attached as **Annexure-F** to this Report.



## **Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the financial statements.

## **Related Party Transactions**

There were no Transactions with related parties during the financial year 2014-2015.

## **Corporate Social Responsibility - Not Applicable**

## **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their meeting without the participation of the Non-independent Directors, considered/evaluated the Boards' performance & Performance of the Managing Director.

The criteria for performance evaluation have been detailed in the Corporate Governance Report which is attached as **Annexure-B** to this Report.

## **Vigil Mechanism/ Whistle Blower Policy**

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower and the same was hosted on the website of the Company.

This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

Brief details about the policy are provided in the Corporate Governance Report attached as **Annexure-B** to this Report.

## **Deposits**

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## **Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

## **Internal Control Systems and their Adequacy**

Details of the same are provided in the Management Discussion and Analysis Report attached as **Annexure-E** to this Report.

## **Research and Development, Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo - Annexure A**

## **Acknowledgement**

The Directors wish to express their appreciation for the continued co-operation of the Central and State Governments, bankers, financial institutions, customers, dealers and suppliers and also the valuable assistance and advice received from all the shareholders. The Directors also wish to thank all the employees for their contribution, support and continued co-operation throughout the year.

## **ADDENDUM TO DIRECTORS REPORT**

### **Comments of Statutory Auditor**

The Auditors, in their report dated 28th May 2015, for the year ended on 31st March 2015, have made the following comments in their report.

"In our opinion and to the best of our information and according to the explanations given to us, the financial statements subject to

(a) Note No.6.2 regarding non-ascertainment of overdue amounts and non-provision of interest due if any, due to micro, small and medium enterprises

### **The Board's reply to the above statutory auditor comments**

(a) The names of Small Scale Industrial Units to whom the company owes a sum exceeding Rs. 1 lakh which are outstanding for more than 30 days are given in Note No.6.1 of the Notes on Accounts, as required under the Act. These outstanding amounts are within the agreed terms of purchase. As per agreed terms, no interest is payable. Therefore, the company has not made any provision in the accounts towards interest on these outstanding amounts.

The company has not identified the amount due to Micro, Small & Medium Enterprises (as defined in the Micro Small & Medium Enterprises Development Act 2006) as on 31.03.2015. Hence the company has not ascertained the overdue amount due to Micro, Small & Medium Enterprises as on that date. Further, the company has also not made provision in the accounts towards the interest on such overdue amounts to Micro, Small & Medium Enterprises, as no interest is payable as per agreed terms. This is given in Note No.6.2 of the Notes on Accounts.

### **Comments of Secretarial Auditor**

- i) The Company has not appointed Company Secretary and Chief Financial Officer as per Sec.203 of the Companies Act, 2013 during the financial year 2014-2015.
- ii. During the financial year 2014 – 2015, the Company has contravened Sec.180 (1) (a) and 180 (1) (c) of the Companies Act, 2013.
- iii. During the financial year 2014 – 2015, the company has failed to send notice and outcome of board meeting to stock exchange dt. 02.05.2014 and 28.09.2014.
- iv. On 29.01.2015, the Company had received a notice for non submission of annual report within the prescribed period as per clause 31 of the listing agreement and the stock exchange had made a fine for Rs.25843/-.

### **Reply by the Board of Directors to secretarial auditor comments**

- i) The Company has made a news paper Publishment during the financial year for recruitment of a Company Secretary. The Company has neither received any application nor found any candidate suitable for the pay scale of the Company.

The company will appoint a Chief Financial Officer at the ensuing Board Meeting.

- ii) The company has filed a petition u/s 621 A of the Companies Act, 1956 with the Regional Director, Southern Region, Chennai, Ministry of Corporate Affairs to compound the contravention of Sec.180 (1) (a) & (C).
- iii) The notice and outcome of board meetings held on 02.05.2014 and 28.09.2014 were not intimated to stock exchange by oversight.
- iv) The Company had requested the Bombay Stock Exchange to condone the inadvertent delay for Non submission within the stipulated time and waive the penalty.

By Order of the Board of Directors

Salem  
15<sup>th</sup> July 2015

R. Jagadeesan  
Managing Director  
DIN 01153985

Malathi Jagadeesan  
Director  
DIN 00153952