

# **GEM SPINNERS INDIA LIMITED**

THIRTIETH ANNUAL REPORT

**2019 - 2020**

### **Board Of Directors**

Mr. R. Veeramani - Managing Director  
Mr. S. Gopal - Non Executive Director  
Mr. P.P. Doddanavar - Independent Director  
Mrs. Poorana Juliet - Independent Director  
Mrs. A. Vani - Company Secretary  
Mr. G. Senthilvel - Chief Financial Officer

### **Audit Committee**

Mr. P.P. Doddanavar - Chairman of the Committee  
Mr. S. Gopal  
Mrs. Poorana Juliet

### **Stakeholders' Relationship Committee**

Mrs. Poorana Juliet - Chairman of the Committee  
Mr. P.P. Doddanavar  
Mr. S. Gopal

### **Statutory Auditors**

M/s. K. Arunkumar & Associates  
Chartered Accountants  
"Kumar House" Plot No. 6,  
Door No. 1/803, Deivanai Nagar,  
Madipakkam, Chennai - 600 091.

### **SECRETARIAL AUDITORS**

M/S. Lakshmmi Subramanian & Associates,  
Company Secretaries  
M.N.O. Complex, 81, Greams Road,  
Chennai – 600 006.

### **BANKERS**

Lakshmi Vilas Bank

### **Registrar & Share Transfer Agent**

Cameo Corporate Services Ltd.  
"Subramanian Building", 1, Club House Road,  
Chennai – 600 002.

### **Stock Exchange**

BSE Limited

### **Regostered Office & Mills**

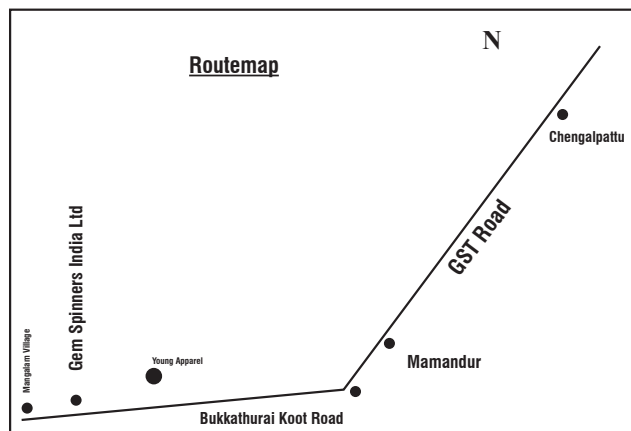
14, Mangalam Village, Madhuranthagam Taluk,  
Kancheepuram District, Tamil Nadu - 603 107

### **Corporate Office**

78, Cathedral Road, Chennai - 600 086.

### **Website :**

www.gemspin.com  
E-mail Id - accounts@gemspin.com  
CIN : L17111TN1990PLC019791



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**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Thirtieth Annual General Meeting of the shareholders of the Company will be held on Thursday, the 31st December 2020 at No.14 Mangalam Village, Madhurantagam Taluk, Kancheepuram District, Tamilnadu – 603 107 at 10.30 a.m to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020 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.

**SPECIAL BUSINESS**

3. To re-appoint Ms.Poorana Juliet as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms.Poorana Juliet(DIN: 07143637), who was appointed as an Independent Director up to 30th September, 2020 and being eligible be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, that is from 1st October 2020 to 31st October 2025 on the Board of the Company.

By Order of the Board

Place : Chennai - 86  
Date : 11.11.2020

A. Vani  
Company Secretary

**NOTES**

1. A member entitled to attend and vote at AGM is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself and the proxy need not be a member of the company. A person can act as a proxy on behalf of a maximum of 50 members and holding in aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a duly certified copy of the Board resolution on the letter head of the company, signed by one of the Directors or Company Secretary or any other authorized signatory and / or duly notarized power of Attorney, authorizing their representatives to attend and vote on their behalf at the meeting.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the company, provided that not less than three days of notice in writing is given to the company.
5. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
6. The register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 (the Act), and the Register of contracts or arrangements in which the directors are interested, maintained under section 189 of the Act, will be available for inspection by the members at the AGM.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 16th December 2020 to Wednesday, 23rd December 2020 (both days inclusive) for the purpose of AGM.
8. 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 Buildings”, 1, Club House Road, Chennai-600 002.
9. 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. SEBI (LODR) Regulations 2015 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 : gemspinnersindialimited@gmail.com
10. Members holding shares in physical form and in electronic mode are requested to immediately notify change in their address and updates of savings bank account details, if any, to their respective Depository Participant(s) and to Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Ltd., “Subramanian Buildings”, 1, Club House Road, Chennai-600 002 quoting their folio number.
11. Pursuant to section 72 of the Companies Act 2013, Shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant
12. Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary at least seven days in advance of the Meeting so that the information required can be readily made available at the meeting.
13. All documents referred to in the accompanying notice and the explanatory statement requiring the approval of the members at the AGM and other statutory registers shall be available for inspection at the Registered office of the Company during business hours on all days, except Saturdays, Sundays and National Holidays from the date hereof up to the date of AGM
14. With effect from 1st April 2014, inter alia, provisions of Section 149 of Companies Act 2013 has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors.
15. The route map showing directions to reach the venue of the 30th AGM is annexed

16. 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.

17. 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 30th 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 e-voting facility through CDSL. The e-voting procedures are set out below:

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

- (i) The voting period begins on 28th December 2020 at 9.00 A.M. and ends on 30th December 2020 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 (record date) 23.12.2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on "Shareholders" tab
- (iv) Now, select the "GEM SPINNERS INDIA LIMITED" from the drop down menu and click on "SUBMIT"
- (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

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.

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

For Members holding shares in Demat Form and Physical Form

PAN\*

Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 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 RA0000100 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 #

Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

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

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.

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

Click on the EVSN for Gem Spinners India Limited

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

Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details

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.

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

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

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.

Note for Non-Individual Shareholders and Custodians

- Institutional 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@cdsindia.com](mailto:helpdesk.evoting@cdsindia.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) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdsindia.com](mailto:helpdesk.evoting@cdsindia.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

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question (“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)

18. 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’ ie one share – one vote unlike one person one vote principle, further, as per the provision of the Companies Act, 2013, 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, ie 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.
- (iv) The facility for voting through ballot form shall be made available to all the shareholders who could not exercise their vote through e-voting. The ballot paper in Form MGT-12 is being sent to all the members, along with this report. The voting rights of Members shall be in proportion their shares of the paid up equity share capital of the Company as on 30.12.2020.

A Member desiring to exercise vote by ballot paper should complete the Ballot Form attached with this report and sent it to :Gem Spinners India Limited, No 14 Mangalam Village, MadurathagamTaluk, Kancheepuram-603107

Please return the form duly completed through post or courier, so as to reach the company on or before the close of working hours of between 10.00 a.m and 5.00 p.m on 30.12.2020.

The facility of voting through ballot form shall also be made available at the meeting and the members attending the meeting who have not cast their vote by remote evoting shall be able to vote at the meeting through ballot form.

Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares on the cut-off date i.e. 23.12.2020 may obtain the login ID and password by sending an email to [investor@cameoindia.com](mailto:investor@cameoindia.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning their Folio No./DP ID and Client ID. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote

- (vi) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days after the conclusion of the AGM, a consolidated scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or a

person authorised by him in writing , who shall countersign the same and declare the result of the voting forthwith.

- (vii) The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website and website of CDSL <http://www.evotingindia.com> and also forward the same to the Bombay Stock Exchange of India Limited simultaneously, where the Company’s shares are listed.

**AS PER REGULATION 36(3) OF SEBI (LODR) 2015 AND AS PER CLAUSES OF SS 2 ADDITIONAL INFORMATION ABOUT THE DIRECTOR FOR THE ITEM NO. 3**

Name of the Director	MS.POORANA JULIET
DIN	07143637
Age	54
Qualification	B.A
Experience	20
Expertise in specific functional area	Secretarial
Date of first Appointment in the Board	30-03-2015
Shareholding in the Company	Nil
Relationship with other Directors and KMP	Nil
No. of Meetings attended during the year	4
Other directorship / Membership / Chairman of committee of other board.	Nil

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

**ITEM NO.3**

Ms.Poorana Juliet is a Non-Executive Independent Director of the Company. Ms.Poorana Juliet was appointed as an Independent Director and her office completes on 30th September 2020. Ms.Poorana Juliet is a Member in Audit Committee and Nomination and Remuneration Committee of the Company.

As per Section 149(10) of the Companies Act, 2013 (“the Act”), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Therefore, the Board of Directors of the Company, considered and further recommended for the approval of the shareholders, the proposal for re-appointment of Ms.Poorana Juliet (DIN: 07143637) as an independent director on the Company’s Board, not liable to retire by rotation, for a period of five years commencing from 01st October 2020 to 30th September 2025.

Ms.Poorana Juliet has given consent to act as Director of the Company. He also confirmed his eligibility to be appointed as director on the Company’s Board and also that he does not attract any of the disqualifications prescribed under the Companies Act, 2013. The Board of Directors further confirm that in the opinion of the Board, the independent director possesses the relevant experience, have rich experience and fulfils the conditions specified in the Act for such appointment and is independent of the management of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the proposed resolution except to the extent of their shareholding in the Company

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 30th 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, 2020.

**1) FINANCIAL RESULTS**

Particulars	2019-20 Rs. in Lakhs	2018-19 Rs. in Lakhs
<b>SALES</b>		
Export	0.00	0.00
Operating Profit	(97.11)	961.44
Less: Financial Charges	-	0.01
Gross Profit	(97.11)	961.43
Less : Depreciation	23.61	23.60
Profit/(Loss) before Tax	(120.72)	937.83
Net (Loss) / Profit	(119.14)	765.26
Accumulated Loss	(3166.21)	(3047.07)

**2) PERFORMANCE AND STATE OF COMPANY'S AFFAIRS**

During the year there was no turnover. The Operating Profit/Loss was of the order of Rs.(97.11) Lakhs as compared to the previous year of Rs.961.44 Lakhs. The Company has suspended the operation due to market volatility. Your directors are exploring all the possibilities of recommencing the production subject to viability.

**3) IMPACT OF COVID-19 PANDEMIC**

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally. The COVID-19 pandemic is a major blackswan event, which has dragged the economy and the advertising environment as a result. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements

**4) SHARE CAPITAL**

The paid up Equity Share Capital of the Company as on March 31, 2020 was Rs. 30.68 Crores. No additions and alterations to the capital were made during the financial year 2019-20.

**5) DIVIDEND**

Your Directors regret for the non-declaration of dividend owing to non-operation of the unit.

**6) TRANSFER TO GENERAL RESERVE**

Your Company does not propose any transfer of funds to the General Reserve.

**7) MATERIAL CHANGES 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 report; and there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the company's operation in future.

**8) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

There have been no loan, guarantees or investments given or made by the company under section 186 of the Companies Act, 2013 during the financial year.

**9) SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

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

**10) 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.

**11) DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL (KMPs)**
**Board Composition**

The Board consists of the one Executive Director, one Non-Executive Director and Two Non-Executive Independent Directors.

Independent Directors are appointed for a term of five years and are not liable to retire by rotation.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and regulation 16(b) of the SEBI listing regulations.

**Retirement by rotation**

Pursuant to Section 152 of the Companies Act, 2013, Mr. R.Veeramani who retires by rotation at the forthcoming AGM and is eligible for re-appointment.

**Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the Key Managerial Personnel of the Company are Mr.R.Veeramani, Managing Director, Mrs. A.Vani, Company Secretary and Mr.G.Senthilvel, Chief Financial Officer.

**Declaration of Independent Directors**

As per the Companies Act, 2013, your company had appointed two independent directors and they have declared that they meet the criteria of independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of independence.

**Policy of Director's Appointment and Remuneration**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance report, which forms part of the Board's Report.

**Information U/S 197(12) Of The Companies Act 2013**

The information required u/s 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is NIL

**Training Of Independent Directors**

To familiarize the strategy, operations and functions of our Company, the executive directors make presentations/orientation programme to non – executive independent directors about the company's strategy, operations, product and service offerings, markets, organization structure, finance, human resources, production facilities and quality and risk management. The appointment letters of Independent Directors has been placed on the Company's website at [www.gemspin.com](http://www.gemspin.com).

**12) MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors of the Company had met during the year on 14th February 2020 to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.



**13) DIRECTORS' RESPONSIBILITY STATEMENT****Your Directors state that:**

- a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c) the Directors have 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;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**14) BOARD MEETINGS:**

During the year, four board meetings were held. The intervening gap between two board meetings exceeded 120 days for the year ended 31st March 2019. Dates of the Board meetings and details of Directors' attendance at the meetings are furnished in the Corporate Governance report.

**15) 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](http://www.gemspin.com).

**16) RELATED PARTY TRANSACTIONS**

As per the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at [www.gemspin.com](http://www.gemspin.com).

The Policy intends to ensure that proper reporting approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

There were no contract / arrangement / transactions entered in to during the year ended March 31, 2020.

**17) CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

The Directors and Members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. A declaration to this effect has been signed by Mr.G.Senthilvel, Chief Financial Officer.

**18) ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE, ETC**

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 - I" to this Report.

**19) EXTRACT OF ANNUAL RETURN**

The extract of Annual Return of the Company is annexed herewith as Annexure –"II" to this report.

**20) CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS REPORT AND OTHER INFORMATION REQUIRED UNDER THE COMPANIES ACT, 2013 AND SEBI (LODR) REGULATIONS 2015.**

As per the provisions of the SEBI(LODR) Regulations, 2015, Management Discussion & Analysis Report (Annexure III) and Corporate Governance Report with Auditors' Certificate thereon (Annexure – IV) are attached and form part of this report.

**21) CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Your company is not having Net profits of more than 5 Crore rupees, in the Year 2019-20 and therefore Constituting of a CSR committee in accordance with the provisions of section 135 of the Act does not arise.

**22) PARTICULARS OF EMPLOYEES:**

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.

**23) REPORTING OF FRAUDS BY AUDITORS**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

**24) STATUTORY AUDITORS**

M/s. K.Arunkumar & Associates, Chennai, Chartered Accountants, (Registration Number 0162155) has been appointed as statutory auditors of the Company at the Annual General Meeting held on 30th November 2017 form the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the company.

**25) 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.

**26) SECRETARIAL AUDITOR**

As required under Section 204 of the Companies Act, 2013 and Rules there under the Board has appointed Lakshmmi Subramanian & Associates, Practising Company Secretaries as Secretarial Auditor of the company to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as Annexure – "V" to this Report.

COMMENT ON SECRETARIAL AUDITOR'S REPORT - The Board of Directors has taken adequate measures to regularize the qualification stated in their report.

**27) DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company.

**28) DISCLOSURE UNDER THE SEXUAL HARASMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDESSAL) ACT, 2013**

The company has in place an anti-sexual Harassment Policy as required under prevention of Sexual Harassment of Woman at workplace (Prohibition, Prevention and Redressal) Act 2013 and constituted an Internal Complaints Committee (ICC). Your Directors further states that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**29) ACKNOWLEDGEMENT**

Your Directors thank the Central and State Governments and the Banks for their continued help and support.

Your Directors also thank the Authorised Wholesale Dealers, Stockiest and Retailers for their excellent support under difficult conditions and the Consumers for their continued patronage of your Company's products. Your Directors are especially thankful to the esteemed Shareholders for their continued encouragement and support.

For and on behalf of the Board of Directors

Place: Chennai  
Date: 11.11.2020

For Gem Spinners India Limited  
**R.Veeramani**  
DIN: 00032895  
**P.P.Doddanavar**  
DIN: 00960514

**ANNEXURE - I**

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

Details on Conservation of energy, Technology absorption and Foreign exchange earnings and outgo

Details	Disclosure	
(A) Conservation of energy –	The Company has suspended the manufacturing operation, hence the conservation of energy reporting is not applicable.	
(i) the steps taken or impact on conservation of energy;		
(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	
	2019-20	2018-19
(1) Expenditure on Foreign Currency		
a) Commission	Nil	Nil
b) Travel	Nil	Nil
(2) Earnings in Foreign Exchange	Nil	Nil

**ANNEXURE - II**

**FFORM NO. MGT – 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2020**

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	
v)	Address of the Registered office and Contact Details	NO 14 MANGALAM VILLAGEMADURATHAGAM 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**

SI. 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	44623000	90000	44713000	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/Fl	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 / Fl	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
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	42353500	90000	42443500	69.16	42353500	90000	42443500	69.16	0
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / Fl	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) FIs	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
<b>Sub-Total (B)(1)</b>	<b>12486790</b>	<b>200</b>	<b>12486990</b>	<b>20.35</b>	<b>12486790</b>	<b>200</b>	<b>12486990</b>	<b>20.35</b>	<b>0</b>
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	50100	163900	214000	0.35	47500	163900	211400	0.34	-0.0042
ii) Overseas									
b) Individuals									
i) individual shareholders holding nominal share capital upto Rs.1 lakh	744800	5100900	5845700	9.52	749300	5095900	5845200	9.52	-0.0008
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	92600	297500	390100	0.63	538800	267500	5655600	9.22	8.58

(iii) Qualified Foreign investor	0	0	0	0	0	0	0	0	0
(c) Any Other									
i) Clearing Members	1400	0	1400	0.0022	3000	0	3000	0.005	0.003
ii) Hindu Undivided families	19700	0	19700	0.03	21200	0	21200	0.03	0.0024
iii) Non Residents Indians – NRI	300	0	300	0.0004	300	0	300	0.0004	0
iii) Trusts	300	0	300	0.0004 - I					
Sub-total (B)(2)	909200	5562300	6471500	10.54	6209700	5527300	11737000	19.12	8.58
Total Public Shareholding (B) = (B)(1) + (B)(2)	13395990	5562500	18958490	30.89	11131490	5527500	16658990	27.14	-3.75
(C) Shares held by Custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A) + (B) + (C)	55749490	5622500	61371990	100	55754490	5617500	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.	SRI. R.VEERAMANI	12692166	20.68	0	14961666	24.38	0	0
2.	SRI.S.R.ASAITHAMBI	10174638	16.58	0	10174638	16.58	0	0
3.	SRI.R.SEKAR	9743348	15.87	0	9743348	15.88	0	0
4.	SRI.S.R.KUMAR	9743348	15.87	0	9743348	15.88	0	0
5.	SMT. RAJI VEERAMANI	30000	0.05	0	30000	0.05	0	0
6.	SMT. A. SEETHALAKSHMI	30000	0.05	0	30000	0.05	0	0
7.	SMT. VEDAVALLI KUMAR	30000	0.05	0	30000	0.05	0	0

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

S.No	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Change in Share Holding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	42443500	69.16%	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):	Nil		Nil	
	At the end of the year	44713000	72.85	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 end of the year	
		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%	-7565000	12.33%	0	0
2.	ICICI BANK LTD	4921790	8.02%	0	0	4921790	8.02%
3.	KARTHICK SALEM ARUMUGAM	0	0	1815600	2.95%	1815600	2.95%
4.	K.E.KESAVAN	0	0	1739950	2.83%	1739950	2.83%
5.	R.SELVAKUMARI	0	0	600000	0.98%	600000	0.98%
6.	PLATHA	0	0	600000	0.98%	600000	0.98%
7.	S.CHELLAPANDI	0	0	539950	0.88%	539950	0.88%
8.	PREETHY R E	80500	0.13%	0	0	80500	0.13%
9.	NIRMAL BHURATH	50600	0.08%	0	0	50600	0.08%
10.	MEENA JAIKUMAR CHAUGULE	42000	0.07%	0	0	42000	0.07%

**(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	14961666	24.38

**V. INDEBTEDNESS**

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

(Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
(i) Principal Amount	0	4,69,48,068.97	0	4,69,48,068.97
(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	4,69,48,068.97	0	4,69,48,068.97
Change in Indebtedness during the financial year				
• Addition	0	1,85,35,000	0	1,85,35,000
• Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
(i) Principal Amount	0	6,54,83,068.97	0	6,54,83,068.97
(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	6,54,83,068.97		6,54,83,068.97

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sitting Fees to Managing Director Rs.12000.

B. Remuneration to other directors:

(in Rupees)

Particulars of Remuneration	Mr.PP.Doddanavar	Mr.S.Gopal	Mrs.Poorana Juliet	Total Amount
Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	3000	0	12000	15000
Total (1)	3000	0	12000	15000
Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	0	12000	0	12000
Total (2)	0	12000	0	12000
Total (B)=(1+2)	3000	12000	12000	27000
Total Managerial Remuneration	3000	12000	12000	27000
Overall Ceiling as per the Act				

**C. Remuneration To Key Managerial Personnel Other Than Md/Manager/Wtd**

Rs.in Lakhs

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		4.88	3.30	8.18
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	4.88	3.30	8.18

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - Nil**
**ANNEXURE III**
**MANAGEMENT DISCUSSION & ANALYSIS**
**A) INDUSTRY PERFORMANCE:**
**A) INDUSTRY PERFORMANCE:**

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.

During the year, there has been a exceptional slow down for yarn markets globally. Surplus production, uneconomical exports and reduced demand for quality yarn in the domestic market are some of the reasons for the lower performance of the industry. Decision to reduce exports at the present juncture due to the uneconomical prices also aggravated situation due to competition from other developing countries like Indonesia, Vietnam, Bangladesh etc.,

**B) OUTLOOK:**

Industry expects improvement during the current financial year as cotton prices are stabilizing and yarn prices have started improving from the first quarter of the financial year 2016-17. It is hoped the Government of India will intervene with some relief packages to improve the exports. Baring the above situation, the company's performance will be good in the coming years.

**C) 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, maintain excellent relation with all its overseas customers who have been dealing with the Company over the years by adhering to quality standards, delivery schedules and competitive prices.

**D) RISKS AND CONCERNS**

The Company has devised risk management policy which involves identification of the business risks as well as the financial risks, its evaluation, monitoring, reporting and mitigation measures. The Audit Committee and Board of Directors of the Company periodically review the risk management policy of the company so that the management controls the risk through properly defined network.

**E) INTERNAL CONTROL AND ITS 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.

**F) 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.

**G) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

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

**ANNEXURE IV**
**REPORT ON CORPORATE GOVERNANCE**
**1. 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.

**2. 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 Two Non – Executive independent Directors (including one woman director) as on 31.03.2020.

Director	Board Meetings held during the year		Attendance of last AGM	No. of Directorship (other than this Company)	No. of other Board – committee positions held	
	Held	Attended			As Chairman	As Member
Mr.R.Veeramani Promoter – Managing Director	4	4	Yes	14	1	Nil
Mr.PPDodanavar Non-Executive Independent	4	2	Yes	4	Nil	Nil
Mr.S.Gopal Non- Executive	4	4	Yes	9	Nil	Nil
Mrs.Poorana Juliet Non-Executive Independent	4	4	Yes	1	Nil	Nil

As on 31st March 2020, 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.

**Board Meeting Dates:**

Board Meetings were held four times during the financial year from 1st April 2019 to 31st March 2020. The dates of Board Meetings were as follows:

**15-06-2019, 14-08-2019, 13-11-2019 and 14.02.2020**

Date of Board	Strength of the Board	No. of Directors Meeting Present
15-06-2019	4	4
14-08-2019	4	4
13-11-2019	4	3
14-02-2020	4	3

**COMPOSITION OF BOARD COMMITTEES:**
**i) Audit Committee:**

Composition:

The Audit Committee comprises of the following Directors:

1. Mr.P.P. Doddanavar – Chairman
2. Mr.S.Gopal - Member
3. Mrs.PooranaJuliet - Member

Date of Meetings:

**15-06-2019, 14-08-2019, 13-11-2019 and 14.02.2020**

Name	Designation	No. of Meeting attended
Mr. P.P. Doddanavar	Chairman	2
Mr.S.Gopal	Member	4
Mr.Poorana Juliet	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.

**ii) 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. No meeting was held under this committee for the financial year ended 31st March 2020.

The Committee comprises of the following Directors:

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

Name	Designation	No. of Meetings held	No. of Meetings Attended
Mr. R. Veeramani	Chairman	6	6
Mr.PP.Doddanavar	Member	6	6
Mr.S.Gopal	Member	6	6

**Shareholders queries received and replied in 2019-20**

During the financial year 2019-20, there is no complaint received from Shareholders.

**iii) Nomination & Remuneration Committee**

Composition of Nomination & Remuneration Committee:

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

1. Mr.PP.Doddanavar
2. Mrs.Poorana Juliet
3. 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.

The details of the remuneration / sitting fees paid to the Directors during the financial year 2019-20 are as follows:

Director	Remuneration paid During April 19 – March 20 (Rs.)			
	Basic Salary	Perquisites	Sitting Fees	Total
Mr. R. Veeramani	Nil	Nil	12000	12000
Mr. P.P. Doddanavar	Nil	Nil	6000	6000
Mr.S.Gopal	Nil	Nil	12000	12000
Mrs. Poorana Juliet	Nil	Nil	12000	12000



### Nomination and Remuneration Policy:

The company has sound and transparent policy in determining and accounting for the remuneration of Executive/ Non-Executive/ Independent Directors. The payment of Remuneration to Executive directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board.

Your company recognizes the importance of human resource as its valuable assets and aligning the business objectives with specific measurable performance of individual objectives and targets.

This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013, Listing Agreement and SEBI (LODR) Regulations 2015 to pay equitable remuneration to the directors, KMPs and employees of the Company.

The objective and purpose of the Remuneration Policy is to determine qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and recommend to the Board policies relating to the remuneration of the directors, KMPs and other employees. It also ensures that recognition of performance encourages achieving better operational results.

The Nomination and Remuneration Committee recommends the remuneration/commission payable to executive Directors which is approved by the Board of Directors, subject to the approval of shareholders, wherever necessary.

The Board will have the discretion to retain the Managing Director, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

#### iv) 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.

### 3. 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 Agreements 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](http://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.

### 4. 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.

### 5. General Body Meetings

General Body Meeting	Date	Venue	Time	Special Resolution Passed At AGM
AGM for the year 31.09.2019	18.09.2019	14 Mangalam Village Kancheepuram Dist.	10.00 a.m.	Yes
AGM for the year 31.09.2018	12.09.2018	14 Mangalam Village Kancheepuram Dist.	10.30 a.m.	Yes
AGM for the year 31.03.2017	30.11.2017	14 Mangalam Village Kancheepuram Dist.	10.30 a.m.	No
AGM for the year 31.03.2016	30.09.2016	14 Mangalam Village Kancheepuram Dist.	10.30 a.m.	Yes

### 6. 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. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

c) We affirmed that no personnel have been denied access to the audit committee.

**d) Whistle Blower Policy/Vigil Mechanism:** The company does not have a whistle blower policy at present. However, a full fledged 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) Compliance with mandatory requirements:** The Company has complied with all Mandatory requirements as mentioned under Listing Agreement / SEBI (LODR) Regulations 2015.

**f) Adoption of Non- Mandatory requirements:** The Company is in the process of adopting other non – mandatory requirements as mentioned under SEBI (LODR) Regulations 2015. The company has appointed separate persons to the post of Chairman and CEO&MD.

**7) Means of communication**

The annual, half-yearly and quarterly results are regularly submitted to the stock exchanges in accordance with the listing agreement and are published in MakkalKural (Tamil) and News today (English) newspapers.

**8) General Shareholders Information :**
**Annual General Meeting**

The 30th Annual General Meeting of the Company will be held on Wednesday, 31st December 2020 at the Registered Office of the Company.

Financial Calendar for the year 2020-21 (Provisional)

Results for the first quarter ending 30th June, 2020:	15-09-2020
Results for the second quarter ending 30th September, 2020	11-11-2020
Results for the third quarter ending 31st December, 2020	First week of February 2020
Results for the first quarter ending 31st March, 2021	Second Week of May 2021
Annual General Meeting for the year ending 31st March 2021	Second Week of September 2021

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

**9) Address for Communication:**

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

CORPORATE OFFICE - 78, CATHEDRAL ROAD,  
CHENNAI – 600 086.

**10) Postal Ballot resolutions** - Nil

**11) Listing on Stock Exchange at :** Bombay Stock Exchange  
P.J. Tower, Dalal Street  
Mumbai - 400 001

**12) STOCK CODE :**

BSE Ltd.	521133
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**13) MONTHLY SHARE PRICE DETAILS AT BSE DURING THE YEAR 2019-20:**

MONTH	BSE		
	HIGH (Rs.)	LOW (Rs.)	NO. OF SHARES TRADED
APR - 19	0	0	0
MAY - 19	0	0	0
JUNE - 19	0	0	0
JULY - 19	0	0	0
AUGUST - 19	0	0	0
SEPTEMBER - 19	0	0	0
OCTOBER - 19	0	0	0
NOVEMBER - 19	0	0	0
DECEMBER - 19	2.38	2.38	100
JANUARY - 20	2.27	2.27	100
FEBRUARY - 20	0	0	0
MARCH - 20	2.27	2.27	100

**14. SHARE TRANSFER SYSTEM:**

Applications for transfer of shares held in physical form are received by the Registrar and Share Transfer Agent Cameo Corporate Services Ltd and all valid transfers are processed and effected immediately from the date of receipt. Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants, etc.

Physical shares received for dematerialisation are processed and completed within a period of 7 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders. However, the request for share transfers etc. will continue to be considered and approved by the share transfer committee. The Share Transfer Committee generally meets once in a month. There are no pending share transfers as on 31st March 2020.

**15. SEBI COMPLAINTS REDRESS SYSTEM (SCORES):**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**16. DEMATERIALISATION OF SHARES:**

The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. The International Securities Identification Number (ISIN) allotted to the Company is INE165F01020. As on 31st March, 2020, 90.81% of the Company's total shares are in dematerialized form.

**17. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2020 :**

Number of shares	Number of share holders	Percentage of share holders	Number of shares held	Percentage of share holding
1 - 100	23989	80.78	2398634	3.91
101 - 500	4489	15.11	1281267	2.09
501 - 1000	715	2.41	581700	0.95
1001 - 2000	248	0.83	366400	0.59
2001 - 3000	63	0.21	153099	0.25
3001 - 4000	30	0.10	105700	0.17
4001 - 5000	76	0.25	371100	0.60
5001 - 10000	43	0.14	358100	0.58
10001 & Above	50	0.17	55756490	90.85
TOTAL	29703	100	61371990	100

**18. CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2020:**

Category	No. of Shares held	%
Indian Promoters	44713000	72.85
Financial Institutions	4921990	8.02
Bodies Corporate	211400	0.34
Non Resident Indians	300	0.0004
Indian Public	11522000	10.10
Others	3300	0.005
Total	61371990	100.00

**19. RECONCILIATION OF SHARE CAPITAL AUDIT:**

A quarterly audit was conducted by a practising company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2020 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories.

**20. PREVENTION OF INSIDER TRADING:**

In accordance with the SEBI Regulations as amended, the Company has established a code of conduct for prohibition of insider trading in the company's shares. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations 2015.

**21. ADDRESS FOR CORRESPONDENCE:**

The Secretary  
Gem Spinners India Limited  
78, Cathedral Road  
Chennai -600 086.

**CERTIFICATE ON CORPORATE GOVERNANCE UNDER THE LISTING REGULATIONS**

To,

The Members of Gem Spinners India Limited

- a. The Certificate issued in accordance with the terms of our engagement letter dated 1st November 2020
- b. We have examined the compliance of conditions of Corporate Governance by Gem Spinners India Limited ('the Company'), for the year ended 31st March 2020, as stipulated in the Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, pursuant to the Listing Agreement of the Company with the Stock Exchanges.

**Management Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the SEBI Listing Regulations.

**Auditor's Responsibility**

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

**Opinion**

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 regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended except to the extent of observations made in the Secretarial Compliance Report and to the extent of observations made in the Secretarial Audit Report.

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.

Place: Chennai  
Date: 05/12/2020

For Lakshmmi Subramanian & Associates  
Sd/- P.S.Srinivasan  
C.P No :3122  
UDIN: A001090B001434874

**ANNEXURE - V**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2020**

[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  
Gem Spinners India Limited

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 our opinion thereon.

Based on our 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, 2020, 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 also examined the following with respect to the new amendment issued vide SEBI Circular number CIR/CFD/CMD1/27/2019 dated 8th February, 2019(Regulation 24A of SEBI (LODR)).

- (a) all the documents and records made available to us and explanation provided by Gem Spinners India Limited ("the Listed Entity"),
- (b) the filings/submissions made by the Listed Entity to the Stock Exchanges,
- (c) website of the listed entity,
- (d) books, papers, minute books, forms and returns filed with the Ministry of Corporate Affairs and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions as applicable to the Company during the period of audit and subject to the reporting made hereinafter and in respect of all statutory provisions listed hereunder:
  - i. The Companies Act, 2013 (the Act) and the Rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - 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;

**We hereby report that**

- The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder except provided below
- The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.
- There were no actions taken against the listed entity/its promoters/directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operation Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder except for the action reported in 24A.

**We have also examined the compliance with the applicable clauses of the following:**

- The Listing Agreement entered into by the Company with the Stock Exchanges where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing obligations and Disclosure Requirements) Regulations 2015.
- Secretarial Standard with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Since the Company's manufacturing business is fully ceased and is presently not engaged in any business activity in our opinion and as identified and informed by the management, the Company has no specific laws applicable.

It is reported that during the period under review, the Company has been regular in complying with the provisions of the Act, Rules, Regulations and Guidelines, as mentioned above except the following:

- Company is yet to maintain proper statutory registers as per Companies Act 2013.
- SS1 & SS2 in certain areas are yet to be complied.
- There was a delay in filing Annual return forms with Registrar of Companies
- Internal Auditor yet to be appointed
- Shareholding of the promoter is not 100% dematerialized.
- Company's website is not functional
- The Company is yet to strictly comply with SEBI,(LODR) Regulations,2015 among other Deviations as Observed in 24A

- filed with BSE in particularly Regulation 30, Regulation 7(3) and SEBI (Prohibition Of Insider Trading) Regulations, 2015.
- The shares held by IDBI bank in a settlement was acquired by the promoters. The shareholding pattern as reported by RTA satisfies the minimum public shareholding.

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

- The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and the Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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, in our opinion, the Company is yet to strictly comply with applicable general laws as HR and Labour laws wherever applicable.

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 yet to increase the Directors to minimum six and to constitute the committees as per Companies Act,2013 and LODR Regulation,2015.

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered except in delay and proper formats 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 have occurred, which have a major bearing on the Company's affairs.

Place: Chennai

For Lakshmmi Subramanian & Associates

Date: 11/11/2020

Sd/- P.S. Srinivasan  
C.P.No.3122

UDIN:A001090B001434797

## ANNEXURE – A

To,  
The Members  
Gem Spinners India Limited

- 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 our audit.
- 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 our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.
- 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.

Place: Chennai For LAKSHMMI SUBRAMANIAN & ASSOCIATES  
Date: 11/11/2020 Sd/- P.S. Srinivasan  
C.P.No.3122  
UDIN: A001090B001434797

**Certificate on Non-Disqualification of Directors**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
Gem Spinners India Limited  
No 14 Mangalam Village  
Madurathagam Taluk  
Kancheepuram District - 603 107.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gem Spinners India Limited CIN L17111TN1990PLC019791 having its registered office at No 14 Mangalam Village Madurathagam Taluk Kancheepuram District-603107 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers and para No. (d) point No.1. in Secretarial Compliance Report for the year ended 31st March, 2020 issued by us, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No	Name of Director	DIN	Date of Original Appointment in Company
1	Rangaswami Veeramani	00032895	06/12/1993
2	Pushpadant Parisappa Doddanavar	00960514	06/12/1993
3	Srinivasan Gopal	06448007	18/09/2012
4	Poorana Juliet	07143637	30/03/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai For Lakshmmi Subramanian and Associates  
Date: 05/12/2020 Sd/- P.S. Srinivasan  
CP No. 3122  
UDIN: A001090B001434907

**DECLARATION IN COMPLIANCE WITH THE CODE OF CONDUCT**

I, R.Veeramani, 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 Manager Personnel have affirmed compliance with the said code of conduct.

For GEM SPINNERS INDIA LIMITED

Place: Chennai R.Veeramani  
Date: 11-11-2020 Managing Director  
Din No:0003289

**CFO CERTIFICATION**

The Board of Directors  
Gem Spinners India Limited  
78, Cathedral Road,  
Chennai - 600 086

**Dear Members of the Board,**

- We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- we are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, changes if any, in the design or operation of such internal controls.



- D. we have indicated to the auditors and the Audit committee
- (1) any significant changes in internal control over financial reporting during the year;
  - (2) all significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) any instances of significant fraud of which we are aware that involve the management or an employee having a significant role in the company's internal control system over financial reporting.

Date :11-11-2020

Place: Chennai

G.Senthilvel

Chief Financial Officer

#### **INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:**

We have examined all the relevant records of Gem Spinners India Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period 01st April, 2019 to 31st March 2020.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Listing Agreement / Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has complied with items C, D and E.

For K. ARUNKUMAR & ASSOCIATES  
CHARTERED ACCOUNTANTS

K. ARUN KUMAR  
CHARTERED ACCOUNTANT  
MEMBERSHIP NO.237426

Place: Chennai

Date: 16-07-2020

#### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF GEM SPINNERS LIMITED**

#### **Report on the audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS Financial Statements of GEM SPINNERS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended 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 March 31, 2020,

its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### **Material uncertainty Related to Going Concern**

The Company has incurred substantial operating losses during the current period and earlier. There is thus, in our opinion, existence of a material risk as to the Company's ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis for the reasons stated in Notes

Our conclusion is not qualified in respect of these matters. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section out of report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our opinion on the accompanying standalone Ind AS financial statements.

#### **A. REVENUE RECOGNITION**

#### **Key Audit Matter Description**

During the year, on account of adoption of new revenue standard Ind AS 115 - Revenue from contracts with customer, there have been changes in revenue recognition policy with regards to timing of recognition and related disclosures. Revenue recognition is inherently an area of audit risk, which we have substantially focused on mainly covering the aspects of cut off considering the above impact of Ind AS 115 and cut-off are key audit matters

#### **Principal Audit Procedures**

Our audit procedures relating to revenue comprised of test of controls and substantive procedures including the following:

- a. We assessed whether the policy of recognizing revenue was in line with Ind AS - 115.
- b. We performed procedures to assess the design and internal controls established by the management and tested the operating effectiveness of relevant controls related to the recognition of revenue.

#### **Conclusion**

Based on the procedures performed above, we did not find any material exceptions with regards to adoption of Ind AS 115 and timing of revenue recognition.



### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. Responsibilities of Management for the standalone Ind AS Financial Statements The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of the India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c.) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls Over Financial Reporting of the Company with reference to these standalone Ind AS financial statement effectiveness of such controls, refer to our separate report in "Annexure B" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors is in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanation given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS Financial Statements. (Refer note 38 to the standalone Ind AS financial statements);
  - The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2020.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- and the same have been properly dealt with in the books of account.
- According to the Information and Explanation given to us 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.
  - In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the act, with respect to Loans and investments made.
  - The Company has not accepted any deposits from the public during the year.
  - We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
  - According to the information and explanations given to us and based on our examination of the records of the company, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. There are no undisputed statutory dues payable in respect of above which were outstanding as at 31st March 2020 for a period of more than six months from the date they became payable.
- According to the information and explanation given to us, there are no statutory dues outstanding on account of any dispute except:

For K Arun Kumar & Associates  
Chartered Accountants  
FRN: 016215S

K. Arun Kumar  
Partner  
M.No. 237426

Place : Chennai  
Date : 16-Jul-20

#### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to Independent Auditor report to the members of the company on the financial statements for the year ended 31 March, 2020, we report that:

- The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant and Equipment and intangible assets). These fixed assets have been physically verified by the management at reasonable intervals and as explained to us, no material discrepancies were noticed on such verification during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets.
- Physical verification of inventory has been conducted at reasonable intervals by the management. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on physical verification were not material

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Service tax	Service tax	Nil	2004-07, 2008-09, 2010-11, 2011-12	CESTAT
Sales tax	Sales tax	22.89	2005-06 to 2009-10	Commercial tax

- According to information and explanation given to us, the company has not taken any loan either from financial institution, bank, Government or not issued any debentures.
- The company did not raise money by way of initial public offer or further public offer.
- We have neither come across any instances of material fraud by the company or on the company by its officers or employees during our examination of books and records of the company based on generally accepted auditing standards in India, nor have been informed of such case by the management.
- According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- The Company is not a Nidhi company. Accordingly, paragraph 3(xii) is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the company, the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us, the company has not entered into non-cash transactions with the directors of the company or persons connected with him.
16. The company is not required to be registered u/s 45 IA of the Reserve Bank of India act 1934.

For K Arun Kumar & Associates  
Chartered Accountants  
FRN: 016215S

Place : Chennai  
Date : 16-Jul-20

K. Arun Kumar  
Partner  
M.No. 237426

#### Annexure - B to Auditor's Report

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

We have audited the internal financial controls over financial reporting of Gem Spinners Limited. ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects Our audit involves performing procedures to obtain audit evidence about the adequacy

of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K Arun Kumar & Associates  
Chartered Accountants  
FRN: 016215S

Place : Chennai  
Date : 16-Jul-20

K. Arun Kumar  
Partner  
M.No. 237426

**BALANCE SHEET AS AT 31ST MARCH 2020 - AUDITED**

in Rupees

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
	3		
Gross Block		806,924,522.95	806,924,522.95
Less: Depreciation		747,418,089.90	745,056,601.90
Net Block		<b>59,506,433.05</b>	<b>61,867,921.05</b>
<b>INTANGIABLE ASSETS</b>			
Capital work-in-progress		Nil	Nil
Deferred Tax Assets(net)		Nil	Nil
Long -term Loans and Advances	4	11,629,534.00	11,629,534.00
Other non-current Assets	5	4,681,524.26	12,624,563.88
		1,387,413.30	1,387,413.30
		<b>17,698,471.56</b>	<b>25,641,511.18</b>
<b>CURRENT ASSETS</b>			
Inventories	6	-	-
Trade Receivables		-	-
Cash & Bank Balances	7	811,302.80	395,702.88
Other Current Assets	8	988,367.00	643,418.00
		<b>1,799,669.80</b>	<b>1,039,120.88</b>
		<b>79,004,574.41</b>	<b>88,548,553.11</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share Capital	9	306,859,950.00	306,859,950.00
Other Equity	10	(296,901,089.16)	(284,986,571.86)
<b>NON CURRENT LIABILITIES</b>			
Long Term borrowings		Nil	Nil
Deferred Tax liabilities		Nil	Nil
Other Long term liabilities	11	65,483,068.97	46,948,068.97
		<b>65,483,068.97</b>	<b>46,948,068.97</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings			
Trade Payables	12	1,274,724.00	940,483.00
Other Current liabilities	13	514,873.00	287,978.00
Short-term provisions	13	1,773,047.60	18,498,645.00
		<b>3,562,644.60</b>	<b>19,727,106.00</b>
		<b>79,004,574.41</b>	<b>88,548,553.11</b>

For and on behalf of the Board

**R. Veeramani**  
 Managing Director  
 Din No. 00032895

**P.P. Doddanavar**  
 Director  
 Din No: 00960514

**A.Vani**  
 Company Secretary

Place : Chennai  
 Date : 16.07.2020

**G.Senthivel**  
 Chief Financial Officer

As per our report of even date  
 For **K. ARUNKUMAR & ASSOCIATES**  
 Chartered Accountants  
 Firm Regn. No.: 016215S

**CA. K. Arunkumar**  
 Partner  
 Membership No. 237426

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020**

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31.03.2020	FOR THE YEAR ENDED 31.03.2019
<b>REVENUE</b>			
Revenue from operations	14	-	-
Other Income	15	158,227.50	119,094,724.90
<b>Total Revenue</b>		<b>158,227.50</b>	<b>119,094,724.90</b>
<b>EXPENSES</b>			
Purchases of Stock-in-Trade	16	-	-
Employees benefits expenses	17	1,438,004.00	1,550,470.50
Finance Costs	18	260.80	1,086.32
Depreciation and amortization expense	3	2,361,488.00	2,361,486.40
Other expenses	19	8,272,992.00	21,398,651.09
<b>Total Expenses</b>		<b>12,072,744.80</b>	<b>25,311,694.31</b>
<b>PROFIT / (LOSS) BEFORE EXEPTIONAL, EXTRAORDINARY ITEMS AND TAX</b>		<b>(11,914,517.30)</b>	<b>93,783,030.59</b>
Exceptional items		-	-
PROFIT/ (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX		<b>(11,914,517.30)</b>	<b>93,783,030.59</b>
Extraordinary Item		-	-
PROFIT/ (LOSS) BEFORE TAX		<b>(11,914,517.30)</b>	<b>93,783,030.59</b>
TAX EXPENSES		-	17,257,000.00
Deferred Tax			
PROFIT/(LOSS)FOR THE PERIOD FROM CONTINUING OPERATIONS		<b>(11,914,517.30)</b>	<b>76,526,030.59</b>
PROFIT/(LOSS)FROM DISCONTINUING OPERATIONS		-	-
TAX EXPENSES OF DISCONTINUING OPERATIONS		-	-
PROFIT/(LOSS)FROM DISCONTINUING OPERATIONS AFTER TAX		-	-
PROFIT/(LOSS) FOR THE PERIOD		<b>(11,914,517.30)</b>	<b>76,526,030.59</b>
EARNINGS PER EQUITY SHARE			
(1) BASIC		<b>(0.19)</b>	<b>1.25</b>
(2) DILUTED		-	-

For and on behalf of the Board

**R. Veeramani**  
Managing Director  
Din No. 00032895

**P.P. Doddanavar**  
Director  
Din No: 00960514

**A.Vani**  
Company Secretary

As per our report of even date  
For **K. ARUNKUMAR & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No.: 016215S

Place : Chennai  
Date : 16.07.2020

**G.Senthilvel**  
Chief Financial Officer

**CA. K. Arunkumar**  
Partner  
Membership No. 237426

**CASH FLOW STATEMENT**

Particulars		For the year ended 31st March 2020	For the year ended 31st March 2019
<b>A. Cash Flow from operating activities</b>			
Profit/(Loss) for the year		-11914517.30	76526030.59
Adjustments for :			
Depreciation		2361488.00	2361486.40
Interest and Finance		260.80	1086.32
Deferred expenses written off		0.00	0.00
Less : Interest/Dividend Income		0.00	0.00
Operating Profit before Working Capital Changes	<b>A</b>	-9552768.50	78888603.31
Adjustments for :			
Inventories		0.00	0.00
Loans and Advances		7943039.62	-6358647.00
Other Current Assets		-344949.00	10102775.86
Miscellaneous Expenditure		0.00	0.00
Debtors		0.00	0.00
Current Liabilities		2370538.60	-82892570.28
<b>Total Adjustments</b>	<b>B</b>	9968629.22	-79148441.42
Cash generated from Operations	<b>(A+B = C)</b>	415860.72	-259838.11
Interest and Finance Charges	<b>D</b>	260.80	1086.32
Net Cash from Operating Profit	<b>(C-D = E)</b>	415599.92	-260924.43
<b>B. Cash flow from investing activities</b>			
Purchase of fixed assets		0.00	-327242.00
Interest received		0.00	0.00
Bank Deposits		0.00	0.00
Net Cash used in investing activities		0.00	-327242.00
<b>C. Cash Flow from financing activities</b>			
Preferential Issue of Shares to Financial Institutions		0.00	0.00
Proceeds from long term borrowings		0.00	0.00
Proceeds from short term borrowings		0.00	0.00
Net Cash used in Financing Activities		0.00	0.00
Net increase in cash and cash equivalents		415599.92	66317.57
Cash and cash equivalents as at 31.3.2019 (Opening Balance)		137934.88	71617.31
Cash and Cash equivalents as at 31.3.2020 (Closing Balance)		553534.80	137934.88

For and on behalf of the Board

**R. Veeramani**  
Managing Director  
Din No. 00032895

**S. Gopal**  
Director  
Din No: 06448007

**A.Vani**  
Company Secretary

As per our report of even date  
For **K. ARUNKUMAR & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No.: 016215S

**CA. K. Arunkumar**  
Partner  
Membership No. 237426

Place : Chennai  
Date : 16.07.2020



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020.****NOTE 1****GENERAL INFORMATION:**

Gem Spinners India Limited was incorporated as a Public Limited Company having registered office at No.14 Mangalam Village, Madhuranthagam Taluk, Kanchipuram District, and Tamil Nadu. The Company's shares are listed in Bombay Stock Exchanges. The Company has set up a plant for the Manufacture of Cotton yarn and Grey Fabrics at No.14 Mangalam Village, Madhuranthagam Taluk, Kanchipuram District, and Tamil Nadu.

**NOTE 2****NOTES FORMING PART OF ACCOUNTS**

- a) 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.

The Financial Statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies' Act, 2013.

Upto the year ended 31st March 2017, the Company has prepared its financial statements in accordance with the requirements of Indian Generally Accepted Accounting Principles (GAAP), which includes Standard notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GGAP".

These Financial Statements are the Company's first IndAs Standalone Financial Statement.

**b) Use of Estimates**

The preparation of financial statements requires the 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.

**c) REVENUE RECOGNITION**

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. Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. As there is no export during the year under review the Company has not made any provision as receivables such as Duty Drawback and other schemes.

**d) PROPERTY, PLANT AND EQUIPMENT**

Fixed Assets are stated at cost of acquisition less accumulated depreciation 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.

**e) 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. 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..

**f) EMPLOYMENT BENEFITS****Short Term Obligations**

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.

**POST EMPLOYMENT OBLIGATIONS**

- PROVIDENT FUND

Provident Fund is a defined contribution scheme and the contributions are recognised as 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 employee's basic salary. There are no other obligation other than the above defined contribution plan.

- 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.

**g) PROVISIONS AND CONTINGENT LIABILITIES**

1. 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.
2. Contingent Liabilities (Service Tax & Sales Tax): Rs.Nil (Rs.Nil) TNEB Rs.Nil (Nil)

**h) IMPAIRMENT OF NON FINANCIALS ASSETS**

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.

**i) Trade & Other Payable**

These amounts represents liabilities for services received by the Company prior to the end of Financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**j) BORROWING COST**

As there are no borrowings during this financial year the same is not applicable.

**k) 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.

**FIXED ASSETS**
**AS ON 31st MARCH 2020**

PARTICULARS	DEPRECIATION BLOCK								NET BLOCK	
	TOTAL AS ON 01.04.2019		ADDITIONS	DELETIONS	TOTAL AS ON 31.03.2020	UP TO 31.03.2019	DEPRECIATION FOR THE YEAR	DEDUCTION	TOTAL AS ON 31.03.2020	SLM VALUE AS ON 31.03.2020
	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
1. LAND	9255760.15		0.00		9255760.15	0.00	0.00		9255760.15	9255760.15
2. BUILDING	68440482.93		0.00		68440482.93	52878691.16	2167280.00		13394511.77	15561791.77
3. PLANT & MACHINERY	701976742.72		0.00		701976742.72	666700899.70	18684.00		35257159.00	35275843.00
4. OFFICE EQUIPMENTS, FURNITURE	5292917.52		0.00		5292917.52	5028271.64	0.00		264645.88	264645.88
5. LAPTOP	68500.00		0.00		68500.00	65075.00	0.00		3425.00	3425.00
6. VEHICLES	3508655.05		0.00		3508655.05	2921273.05	175524.00		411858.02	587382.02
7. MISCELLANEOUS ASSETS	18381464.58		0.00		18381464.58	17462388.34	0.00		919073.23	919073.23
<b>TOTAL</b>	<b>806,924,522.95</b>		<b>0.00</b>		<b>806,924,522.95</b>	<b>745,056,601.90</b>	<b>2,361,488.00</b>		<b>59,506,433.05</b>	<b>61,867,921.05</b>

**NOTE 4.**
**LOANS AND ADVANCES**

(Unsecured-considered good)  
(Advances recoverable in cash or in kind or for value to be received)

31.03.2020 Rs.	31.03.2019 Rs.
4,681,524.26	12,624,563.88
<b>4,681,524.26</b>	<b>12,624,563.88</b>

**NOTE 5.**
**OTHER NON-CURRENT ASSETS**

Deposits

31.03.2020 Rs.	31.03.2019 Rs.
<b>1,387,413.30</b>	<b>1,387,413.30</b>

**NOTE 6.**
**INVENTORIES**

Stock-Stores  
Finished Goods

-	-
-	-

**NOTE 7.**
**CASH & BANK BALANCES**

Cash on Hand  
Balances with Scheduled Banks in:  
Current Account  
Margin Money Account  
Others

4,197.25	13,546.75
549,337.55	124,388.13
257,768.00	257,768.00
-	-
<b>811,302.80</b>	<b>395,702.88</b>

**NOTE 8.**
**OTHER CURRENT ASSETS**

Prepaid expenses  
Income Receivable

379,509.00	34,560.00
608,858.00	608,858.00
988,367.00	643,418.00

**NOTE 9.**
**SHARE CAPITAL**
**Authorised:**

9,00,00,000 Equity Shares of Rs.5/- each

**Issued,Subscribed & Paidup:**

6,13,71,990 Equity Shares of Rs.5/- each fully paid up

450,000,000.00	450,000,000.00
<b>306,859,950.00</b>	<b>306,859,950.00</b>

## (A) Reconciliation of Share Capital

Particulars	As at 31st March 2020		As at 31st March 2019	
	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 (Preferential)	---	---	---	---
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 2020		As at 31st March 2019	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Mr. R. VEERAMANI	14,961,666	24.38	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
6	ICICI BANK LIMITED	4,921,790	8.02	4,921,790	8.02

**NOTE 10.**
**OTHER EQUITY**

 Share Capital- Reserve  
 Profit & Loss Account

**31.03.2020**
**Rs**

 19,719,617.83  
 (316,620,706.99)

**(296,901,089.16)**
**31.03.2019**
**Rs**

 19,719,617.83  
 (304,706,189.69)

**(284,986,571.86)**
**NOTE 11.**
**OTHER LONG TERM LIABILITIES**

Unsecured Loans

65,483,068.97

**65,483,068.97**

46,948,068.97

**46,948,068.97**
**NOTE 12.**
**TRADE PAYABLES**
**Current Liabilities & Provisions**

Sundry Creditors

**1,274,724.00**
**940,483.00**
**NOTE 13.**
**OTHER CURRENT LIABILITIES**

Other current liabilities

Short term provisions

**514,873.00**
**1,773,047.60**
**287,978.00**
**18,498,645.00**
**NOTE 14.**
**REVENUE FROM OPERATION**

Sales - Yarn

Trading Export

-

-

-

-

**NOTE 15.**
**OTHER INCOME**

Miscellaneous income

**TOTAL REVENUE**
**NOTE 16.**
**TRADING EXPENSES**
**NOTE 17.**
**EMPLOYEES BENEFITS EXPENSES**

Salaries and Wages

Staff Welfare

Contribution to Funds

**NOTE 18.**
**FINANCE COSTS**

Interest on hire purchase

Bank Charges

**NOTE 19.**
**OTHER EXPENSES**
**Other Manufacturing Expenses**
**Stores Consumption**

Consumption of Spares

**Power and Fuel**

Electricity charges

Fuel

**Administrative, Selling & Other Expenses**

Insurance

Communication Charges

Rates and Taxes

Donation

Travelling &amp; Conveyance

Audit Fees

Miscellaneous Expenses

**TOTAL OTHER EXPENSES**

	31.03.2020 Rs	31.03.2019 Rs
	158,227.50	119,094,724.90
	<b>158,227.50</b>	<b>119,094,724.90</b>
	<b>158,227.50</b>	<b>119,094,724.90</b>
		-
	1,337,943.00	1,453,603.00
	29,594.00	34,139.50
	70,467.00	62,728.00
	<b>1,438,004.00</b>	<b>1,550,470.50</b>
	-	-
	260.80	1,086.32
	<b>260.80</b>	<b>1,086.32</b>
	-	-
	-	-
	-	4,800,000.00
	-	-
	89,372.00	65,271.00
	-	2,550.00
	-	1,450.00
	2,002.00	1,252,002.00
	50,406.00	50,156.80
	118,000.00	118,000.00
	8,013,212.00	15,109,221.29
	<b>8,272,992.00</b>	<b>16,598,651.09</b>
	<b>8,272,992.00</b>	<b>21,398,651.09</b>

**20) First Time Adoption of Ind AS**

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2(a) have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31st March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance Sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards/0 Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables and notes.

**Deemed Cost**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS measured as per the previous GAAP and use that as its deemed cost as at the date of transitions after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

**De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

**Classification and measurement of financial assets.**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**21. 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	2019-20	2018-19
a)	Contribution to Provident Fund		32967
b)	Contribution to employees' pension scheme 1995		37047

S.No	Particulars	2019-20
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

- The debit and credit balances of parties are subject to confirmation.
- 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.
- 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.
- Disclosures in respect of provisions pursuant to Accounting standard – 29

(Rs. in Lakhs)

Particulars	Opening Balance 1.04.2019	Provided during the Year	Utilized During the Year	Reversed During the Year	Closing Balance 31.03.2020
Service Tax	58.60	Nil	Nil	Nil	Nil
Sales Tax	22.89	Nil	Nil	Nil	22.89
TNEB	70.00	Nil	Nil	Nil	Nil

- Interest on others in Schedule – 12 is net of interest income of Rs. Nil (Rs.Nil)
- Disclosure under Accounting Standard 17 – SEGMENT REPORTING

S. No	Particulars	Year Ended on 31.03.2020	Year Ended on 31.03.2019
1	<b>Segment Revenue / Income</b>		
	a. Mill	0.00	0.00
	b. Trading	0.00	0.00
	Total	<b>0.00</b>	<b>0.00</b>
2	<b>Segment Results</b>		
	a. Mill	(120.72)	(253.11)
	b. Trading	0.00	0.00
	Total	<b>(120.72)</b>	<b>(253.11)</b>
	Add: Unallocable Income	1.58	1190.95
	Less: Interest – Unallocable Expenditure	0.00	0.01
	Tax [(including - FBT) / (+) Deferred Tax]	0.00	172.57
	Prior year Excess provision of interest written back	0.00	0.00
		<b>(119.14)</b>	<b>(765.26)</b>
	3	<b>Capital Employed</b> (Segment Assets - Segment Liabilities)	
a. Mill		<b>(17.63)</b>	<b>(186.87)</b>
b. Trading		Nil	Nil

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

9. Earnings per Share:

Rs.in Lakhs

Particulars		2019 – 20	2018 -19
Net Profit/Loss as disclosed in Profit & Loss Account		(119.14)	(765.26)
Net Profit/Loss attributable to the Equity shareholders		(119.14)	(765.26)
Weighted average Equity Shares			
Basic and diluted Earnings Per Share	Nos	61371990	61371990
(face value of Rs.5 each)			
Before Exceptional Items		(0.19)	1.25
After Exceptional Items		(0.19)	1.25

10. As per the Accounting Standard 18 – Related Party Transaction: The list of the related parties as identified by company is 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	0.12
Mrs.A.Vani	Company Secretary	Salary	4.88
Mr.G.Senthilvel	Chief Financial Officer	Salary	3.30

For and on behalf of the Board

**R. Veeramani**  
Managing Director  
Din No. 00032895

**S. Gopal**  
Director  
Din No: 06448007

**A.Vani**  
Company Secretary

Place : Chennai  
Date : 16.07.2020

## 11. AUDITORS' REMUNERATION

(Rs. in Lakhs)

Particulars	2019 – 20	2018 – 19
Statutory Audit Fees	1.18	1.15
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	2019 – 20	2018 – 19
1) Sales, Production & Stocks	Nil	Nil
2) Traded Good (Cotton Yarn)		
a) Purchase	Nil	Nil
b) Sales		
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	Nil	Nil
b) Travel	Nil	Nil
7) Earnings in Foreign Exchange		
Export of Goods in FOB value	Nil	Nil

13. The Company has not obtained loan during the year.

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  
**For K. ARUNKUMAR & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No.: 016215S

**CA. K. Arunkumar**  
Partner  
Membership No. 237426



**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 2811 5190

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 30th Annual General Meeting of the Company, to be held on Thursday , the 31st December, 2020 at 10.30 a.m at "No.14, Mangalam Village, Madhuranthagam Taluk, Kancheepuram District, Tamil Nadu and at any adjournment thereof in

Resolution No.	Description	Optional	
		For	Against
	<b>Ordinary Business</b>		
1.	Adoption of Audited Financial Statements for the year ended 31st March,2020.		
2.	Re-appointment of Mr.R. Veeramani as Director who retires by rotation		
	<b>Special Business</b>		
3.	Appointment of Ms. Poorana Juliet as an Independent Director for a term of 5 years from 2020.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

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 30th 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.

Affix  
Re. 1 Revenue  
Stamp

INTENTIONALLY LEFT BLANK



## GEM SPINNERS INDIA LIMITED

CIN: L17111TN1990PLC019791

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

Email: secretarial@gemspin.com Phone: 044 2811 5190.

### ATTENDANCE SLIP

I hereby record my presence at the TWENTY NINTH ANNUAL GENERAL MEETING of the Company being held at No.14, Mangalam Village, Madhuranthagam Taluk, Kancheepuram District, Tamil Nadu – 603 107 on Thursday, the December 31, 2020 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, Madhuranthagam 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]

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
	<b>Ordinary Business</b>			
1.	Adoption of Audited Financial Statements for the year ended 31st March, 2020.			
2.	Re-appointment of Mr. R. Veeramani as Director who retires by rotation			
	<b>Special Business</b>			
3.	Appointment of Ms. Poorana Juliet as an Independent Director for a term of 5 years from 2020.			

Place:

Date:

(Signature of the Shareholder)

**To**

If undelivered, please return to:

**GEM SPINNERS INDIA LIMITED**

No.14, Mangalam Village,

Madhuranthagam Taluk,

Kancheepuram District,

Tamil Nadu – 603 107