

SARA ELGI

SUPER



Super Spinning Mills Limited

**52nd Annual Report
2013-14**



Super Spinning Mills Limited

Corporate Information

Executive Chairman

Managing Director

Board of Directors

Mr. Sumanth Ramamurthi

Mr. A S Thirumoorthy (w.e.f 01.04.2014)

Mr. D Sarath Chandran

Mr. Vijay Venkataswamy

Mr. C S K Prabhu

Mr. B Vijayakumar

Mr. Sudarsan Varadaraj

Mr. C G Kumar (w.e.f 01.06.2014)

Mrs. Suguna Ravichandran (w.e.f 01.06.2014)

Chief Financial Officer

Mr. N Hemanand

Company Secretary

Mr. R Srikanth

Auditors

M/s. Reddy, Goud & Janardhan

Bankers

Union Bank of India

State Bank of India

IDBI Bank

Andhra Bank

ICICI Bank

State Bank Of Hyderabad

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.,

"SURYA", 35, Mayflower Avenue

Behind Senthil Nagar ,Sowripalayam Road

Coimbatore - 641 028

Ph / Fax : (0422) 2314792

E-mail : coimbatore@linkintime.co.in

Registered Office

"ELGI TOWERS", PB 7113, Green Fields

737-D, Puliakulam Road

Coimbatore - 641 045, Tamil Nadu

Ph : (0422) 2311711, Fax : 2311611

CIN : L17111TZ1962PLC001200

E-mail : super@ssh.saraelgi.com

Internet : www.superspinning.com

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Mills

A Unit : Kirikera, Andhra Pradesh

B Unit : Kotnur, Andhra Pradesh

C Unit : D-Gudalur, Tamil Nadu

Super Sara : Beerapalli, Andhra Pradesh



Notice to Members

Notice is hereby given that the 52nd Annual General Meeting of the Company will be held on **Wednesday, the 10th September 2014 at 3.30 P.M** at Ardra Convention Centre, "Kaanchan", No.9, North Huzur Road, Coimbatore - 641 018, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the following:
 - a. The audited Balance Sheet as at 31st March 2014
 - b. The audited Statement of Profit and Loss for the year ended 31st March 2014 and
 - c. The reports of the Directors and the Auditors
2. To appoint a Director in the place of Mr. D Sarath Chandran (DIN 00001885), who retires by rotation and being eligible, offers himself for re-appointment.
3. **To re-appoint the Auditors and to fix their remuneration and in this regard to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224, and other applicable provisions, if any of the Companies Act, 1956) M/s. Reddy, Goud & Janardhan (Firm Registration No. 003254S) Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

Special Business

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

"Resolved that Mr. A S Thirumoorthy(DIN 03604474) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st April 2014 and who holds office

up to the date of this Annual General Meeting of the Company as per the provisions of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as Director of the Company."

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

"Resolved that pursuant to the provisions of Section(s) 196, 197, 203 and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 Mr. Sumanth Ramamurthi be and is hereby appointed as Executive Chairman of the Company for a period of three years effective from 1st April 2014, on a Remuneration recommended by the Remuneration Committee and approved by the Board of Directors, on the following terms and conditions whilst also noting his concurrent Managing Directorship in Kakatiya Textiles Ltd, without remuneration.

Remuneration

- I. Salary: ₹1,50,000/- per month with an annual increment of 10% of the salary
- II. Commission: 1.5% of Net Profit of the Company in each year computed in accordance with Section 198 of the Companies Act, 2013
- III. Allowances & Perquisites

In addition to salary and commission the following allowances and perquisites shall be allowed as detailed below:

1. Housing: Unfurnished residential accommodation will be provided. In its absence, 60% of the salary will be paid as house rent allowance.
2. Perquisites: The following perquisites shall be allowed subject to a maximum of 40% of the salary.
 - i. Medical: Reimbursement of expenses actually incurred for self and his family.
 - ii. Leave Travel Concession: Leave Travel Concession for self and his family.



iii. Insurance: Life, Health and personal accident insurance cover for self.

3. Free use of Company car with driver and telephones.

In any year, if the perquisites specified in Part 2 above, are not availed in full, the unutilized portion of the limit shall be encashed at the end of every year.

4. Mr. Sumanth Ramamurthi shall also be eligible for the following benefits, which shall not be included in the computation of the ceiling on the remuneration.

- PF : Contribution to Provident Fund to the it is not taxable under the Income Tax Act, 1961.
- Gratuity: Gratuity payable at the rate not exceeding 15 days salary of each completed years of service or as may be notified by the Government from time to time.

Resolved Further that in the event of no profits or inadequacy of profits, the remuneration payable to Mr. Sumanth Ramamurthi, Executive Chairman, of the Company shall not exceed the limits specified in Part II of Section II of Schedule V of the Companies Act, 2013 or such limits as may be notified by the Government from time to time.

Resolved Further that the terms and conditions set out for appointment and/or agreements shall be altered and varied from time to time by the Board as it may, in its discretion, deem fit".

6. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section(s) 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, Mr. A S Thirumoorthy be and is hereby appointed as Managing Director of the Company for a period of three years effective from 1st April 2014, on a Remuneration recommended by the Remuneration Committee and approved by the Board of Directors on the following terms and conditions.

Remuneration

- I. Salary: ₹2,00,000/- per month with an annual increment of 10% of salary
- II. Commission: 1% of Net Profit of the Company in each year computed in accordance with Section 198 of the Companies Act, 2013 subject to a maximum amount not exceeding the salary of respective years.

III. Allowances & Perquisites

In addition to salary and commission the following allowances and perquisites shall be allowed as detailed below:

1. **Housing:** Unfurnished residential accommodation will be provided. In its absence, 60% of the salary will be paid as house rent allowance.
2. **Perquisites:** The following perquisites shall be allowed subject to a maximum of 40% of the salary.
 - i. **Medical:** Reimbursement of expenses actually incurred for self and his family.
 - ii. **Leave Travel Concession:** Leave Travel Concession for self and his family.
 - iii. **Insurance:** Life, Health and personal accident insurance cover for self.
3. Free use of telephones

In any year, if the perquisites specified in Part 2 above, are not availed in full, the unutilized portion of the limit shall be encashed at the end of every year.
4. Mr. A S Thirumoorthy shall also be eligible for the following benefits, which shall not be included in the computation of the ceiling on the remuneration.
 - **PF:** Contribution to Provident Fund to the extent it is not taxable under the Income Tax Act, 1961.
 - **Gratuity:** Gratuity payable at the rate not exceeding 15 days salary of each year of completed service or as may be notified by the Government from time to time.



Resolved Further that in the event of no profits or inadequacy of profits, the remuneration payable to Mr. A S Thirumoorthy, Managing Director, of the Company shall not exceed the limits specified in Part II of Section II of Schedule V of the Companies Act, 2013 or such limits as may be notified by the Government from time to time.

Resolved Further that the terms and conditions set out for appointment and/or agreements shall be altered and varied from time to time by the Board as it may, in its discretion, deem fit".

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

"Resolved that pursuant to the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. B Vijayakumar (DIN 00015583), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for five consecutive years effective from 1st June 2014 to 31st May 2019, not liable to retire by rotation."

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

"Resolved that pursuant to the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Sudarsan Varadaraj (DIN 00133533), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is here

by appointed as an Independent Director of the Company for five consecutive years effective from 1st June 2014 to 31st May 2019, not liable to retire by rotation."

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

"Resolved that pursuant to the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Vijay Venkataswamy (DIN 00002906), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who in accordance with the provisions of the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for two consecutive years effective from 1st June 2014 to 31st May 2016, not liable to retire by rotation."

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

"Resolved that pursuant to the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. C S K Prabhu (DIN 00002913), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who in accordance with the provisions of the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the



Company for five consecutive years effective from 1st June 2014 to 31st May 2019, not liable to retire by rotation."

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

"Resolved that Mr. C G Kumar (DIN 02823567) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st June 2014 at the Board Meeting held on 28th May 2014 and who holds office up to the date of this Annual General Meeting of the Company as per the provisions of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company for five consecutive years effective from 1st June 2014 to 31st May 2019, not liable to retire by rotation."

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

"Resolved that Mrs. Suguna Ravichandran (DIN 00170190) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st June 2014 at the Board Meeting held on 28th May 2014 and who holds office up to the date of this Annual General Meeting of the Company as per the provisions of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director be and is hereby appointed as an Independent Director of the Company for five consecutive years effective from 1st June 2014 to 31st May 2019, not liable to retire by rotation."

13. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 the Articles of Association of the Company be and is hereby amended by deleting the existing Article 17 and substituting thereat the following new Article 17."

17. The Board of Directors of the Company may, subject to the provisions of the Companies Act, 2013, or any modification thereof from time to time, appoint one or more of their body to the office of Chairman, Managing Director, Chairman cum Managing Director, Deputy Managing Director, Joint Managing Director or Whole Time Director for such period and on such terms as it thinks fit. The Independent Director(s) appointed pursuant to the provisions of Section 149 of the Companies Act, 2013 shall not while holding such office be subject to retirement by rotation at the Annual General Meeting(s) but however the Chairman, Managing Director, Chairman cum Managing Director, Deputy Managing Director, Joint Managing Director or Whole Time Director shall be subject to retirement by rotation at the Annual General Meeting(s). The Board may entrust to and confer upon such Chairman, Managing Director, Chairman cum Managing Director, Deputy Managing Director, Joint Managing Director or Whole Time Director all or any of the powers exercisable by them with such restrictions as they think fit, either collaterally with or to the exclusion of their own powers and subject to the superintendence, control and direction. The remuneration payable to such persons shall be sanctioned by the Company in the General Meeting.

14. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"Resolved that in supersession of the Ordinary Resolution adopted at the 44th Annual General Meeting held on 7th July 2006 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 read with the relevant Rules thereof, consent and approval of the Company be and is hereby accorded to the Board of Directors to borrow from time to time in one or more tranches, for the purpose of the Company's business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies to be borrowed together with that already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course



of business) and remaining outstanding will exceed the aggregate of the paid-up share capital and free reserves, provided that the total amount up to which monies may be borrowed by the Board of Directors (apart from temporary loans obtained from the company's bankers) shall not exceed Rs.300 Crores (Rupees Three Hundred Crores only)."

15. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"Resolved that in supersession of the earlier resolutions and pursuant to the provisions of section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules thereof the members of the Company hereby accord their consent to the Board of Directors, including any committee thereof for the time being exercising the powers conferred on them by this resolution, to lease or mortgage or to create charge, and/or hypothecate the whole of or substantially the whole of the undertakings of the Company at such time and on such terms and conditions as the Board may deem fit, in the best interest of the Company.

Resolved Further that the Board shall have the power to mortgage or otherwise offer as collateral, substantial property, assets, and/or undertakings of the Company (both present and future), in certain events to banks / financial institutions, other lending agencies, to secure any rupee loans or foreign currency loans.

Resolved Further that the Board of Directors of the Company be and is hereby authorized to finalize the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution."

By Order of the Board

Coimbatore
28th May 2014

Sumanth Ramamurthi
Executive Chairman
DIN : 00002773



Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Pursuant to Section 102 of the Companies Act, 2013 the Explanatory Statement setting out material facts and reasons for the proposed Special business are appended herein.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
5. The register of members and share transfer books of the company will remain closed from 4th September 2014 to 10th September 2014 (both days inclusive).
6. Details under Clause 49 of the Listing Agreement with the Stock Exchange with respect of Directors seeking appointment / re-appointment at the Annual General Meeting forms integral part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / reappointment.

7. Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof and Bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/RTA without any delay.
8. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
9. The Company has transferred the amount of unclaimed dividends paid from 1995-96 to 2005-06 to the Investors Education and Protection Fund of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956.
10. As per the amended provisions of the Companies Act, 1956 dividend remaining unclaimed for a period of 7 years has to be transferred to the Investors Education and Protection Fund established by the Central Government. Any claim relating to the unclaimed dividend for the financial years from 31.03.2007 to 31.03.2008 should be made at the earliest to the company. Once the unclaimed dividends are transferred to the Investors Education and Protection Fund, the shareholders cannot claim the dividend thereafter from the Company.
11. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
12. The members are requested to forward their share transfer deed(s) and other communications directly to the Registrar and share transfer agent of the company M/s Link Intime India Pvt Ltd.
13. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(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 Annual Report for 2014 is being sent in the permitted mode.



14. Members holding shares in Physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with Physical shares.

15. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical form can submit their PAN to the Company or to M/s Link Intime India Pvt. Limited, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028.

16. Voting through electronic means:

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 52nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL):

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

(A) In case of members receiving e-mail:

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p># Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>

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

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided