

**SARA ELGI**

**SUPER**



# **Super Spinning Mills Limited**

**54th Annual Report  
2015-16**

**SUPER**

# Super Spinning Mills Limited

CIN: L17111TZ1962PLC001200

## Corporate Information

**Executive Chairman****Managing Director****Board of Directors****Chief Financial Officer****Company Secretary****Auditors****Secretarial Auditor****Bankers****Registrar and Share Transfer Agent****Registered Office**

Mr. Sumanth Ramamurthi

Mr. A S Thirumoorthy

Mr. D Sarath Chandran

Mr. Vijay Venkataswamy

Mr. C S K Prabhu

Mr. B Vijayakumar

Mr. Sudarsan Varadaraj

Mr. C G Kumar

Mrs. Suguna Ravichandran

Mr. N Hemanand

Ms. Ramaa Krishnakumar

M/s. Reddy, Goud &amp; Janardhan

M D Selvaraj, MDS &amp; Associates

Union Bank of India

State Bank of India

IDBI Bank

Andhra Bank

State Bank of Hyderabad

Link Intime India Pvt. Ltd

"SURYA", 35, Mayflower Avenue

Behind Senthil Nagar

Sowripalayam Road

Coimbatore – 641 028

Tel : (0422) 2314792

Fax : (0422) 2314792

E-mail : coimbatore@linkintime.co.in

"ELGI TOWERS", PB 7113

Green Fields, 737-D

Puliakulam Road

Coimbatore – 641 045

Tamil Nadu

Tel : (0422) 2311711

Fax : (0422) 2311611

E-mail : investors@ssh.saraelgi.com

Internet : www.superspining.com

### Mills Location

A Unit : Kirikera, Andhra Pradesh

B Unit : Kotnur, Andhra Pradesh

Super Sara : Beerapalli, Andhra Pradesh

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## Notice to the Members

Notice is hereby given that the **54th Annual General Meeting** of the Company will be held on **Thursday, the 8th September 2016 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 audited financial statements including Balance Sheet as on 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended as on that date and the Consolidated Financial Statements and the Report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. A S Thirumorthy (DIN 03604474), 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 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 M/s. Reddy, Goud & Janardhan (Firm Registration No. 003254S) Chartered Accountants, Bangalore be and are hereby re-appointed as 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.

### Special Business

4. To ratify the remuneration payable to the Cost Auditors and in this regard to pass the following resolution as an **Ordinary Resolution**:

**Resolved that** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s.S.Mahadevan & Co., (having Firm Registration No.0000007), Cost Accountants, appointed as Cost Auditors by the Board of Directors of the Company, as recommended by the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, on a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus applicable service tax and re-imbursement

of travelling and out of pocket expenses incurred by them for the purpose of audit be and is hereby ratified and confirmed.

**Resolved further that** the Board of Directors of the Company be and are hereby authorized to do all such acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To reappoint Mr. Vijay Venkataswamy as an Independent Director of the Company and in this regard to pass 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), whose tenure of office as an Independent Director of the Company expires on 31st May 2016 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 reappointed as an Independent Director of the Company for a period of one year with effect from 1st June 2016 to 31st May 2017, not liable to retire by rotation.

Coimbatore  
30th May, 2016

By order of the Board  
**Sumanth Ramamurthi**  
Executive Chairman  
DIN : 00002773

### Statement pursuant to Section 102 of the Companies Act, 2013:

#### Item No. 4

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s.S.Mahadevan & Co., (having Firm Registration No.0000007) as Cost auditor to conduct the audit of cost records of the Company for the Financial Year 2016-17. In accordance with the provision of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing ordinary resolution as set out in item no.4 of the notice for ratification of the remuneration of the cost auditor for the financial year 2016-2017.



None of the Directors or Key Managerial Personnel of your Company and their relatives are concerned or interested financially or otherwise in the above resolution.

#### Item No. 5

Mr.Vijay Venkataswamy was appointed as an Independent Director of the Company at the Annual General Meeting held on 10th September 2014 for a period of two years with effect from 1st June 2014 to 31st May 2016. As such, the tenure of Mr.Vijay Venkataswamy as an Independent Director of the Company expires on 31st May 2016 and further he is eligible for re-appointment for a further period of five years on passing of a special resolution at the General Meeting. Pursuant to the provisions of Section 160 of the Companies Act, 2013, a notice has been received from a member along with a deposit of ₹1,00,000/- proposing Mr.Vijay Venkataswamy as a candidate for the office of Independent Director of the company.

However, Mr.Vijay Venkataswamy has expressed his intention to continue as an Independent Director of the company for a further period of one year only. Accordingly, Mr.Vijay Venkataswamy is proposed to be appointed as an independent Director of the Company for a further period of one year with effect from 1st June 2016 to 31st May 2017.

The qualification and expertise of Mr.Vijay Venkataswamy has been detailed in the annexure attached.

Further, the company has received a declaration from Mr.Vijay Venkataswamy that he meets the criteria for independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr.Vijay Venkataswamy fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his re-appointment as an Independent Director of the company and is Independent of the Management. Copy of the draft letter of appointment of Mr.Vijay Venkataswamy as an Independent Director would be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Mr.Vijay Venkataswamy as an Independent Director. Accordingly,

the Board recommends the resolution in relation to the re-appointment of Mr.Vijay Venkataswamy as an Independent Director as set out in Item No. 5 of the Notice for the approval of the Members.

Except, Mr.Vijay Venkataswamy, being an appointee, none of the directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution as set out in Item No.5 of the Notice.

By order of the Board  
**Sumanth Ramamurthi**  
 Executive Chairman  
 DIN : 00002773

Coimbatore  
 30th May, 2016

#### 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 Statement setting out material facts and reasons for the proposed special business set out in item nos. 4 and 5 above, is annexed hereto.
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 authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members / Proxies attending the meeting are requested to bring the attendance slips duly filled and signed for attending the meeting.



5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the company will remain closed from Friday, 2nd September 2016 to Thursday, 8th September 2016 (both days inclusive).
  6. Details as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Director seeking re-appointment at the Annual General Meeting are furnished and forms integral part of the Notice. The Director has furnished the requisite consents/declarations for their re-appointment.
  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 their 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 2007-08 to the Investors Education and Protection Fund of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956.
  10. 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.
  11. 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.
  12. Copies of the Annual Report 2015-16, the Notice of the 54th Annual General Meeting of the Company and instructions for e-voting along with the Attendance Slip and Proxy Form are being sent only through electronic mode to all the members whose e-mail addresses are registered with the Company / Depository Participants 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 2015-16 are being sent through permitted mode.
  13. Members may also note that the Notice of the 54th Annual General Meeting and the Annual Report 2015-16 will be available on the Company's website [www.superpinning.com](http://www.superpinning.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on any working days.
  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. The SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical form can submit their PAN to the Company or to M/s Link Intime India Pvt Limited, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028.
  16. Members are requested to note that the venue of the 54th Annual General Meeting at Ardra Convention Centre, "Kaanchan", No.9, North Huzur Road, Coimbatore – 641018 and the route map containing the complete particulars of the venue is attached to this Notice.
- 17. Voting through electronic means:**
1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to exercise their right to vote at the 54th 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).
  2. The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting may exercise their vote through polling paper at the meeting.
  3. The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again



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

- i) The voting period begins on **Monday, 5th September 2016 at 9.00 A.M.** and ends on **Wednesday, 7th September 2016 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) of 1st September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iii) Click on Shareholders
- iv) Now Enter your User ID  
For CDSL: 16 digits beneficiary ID,  
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip or Proxy form indicated in the PAN field</li> </ul>

DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>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 (iv)</li> </ul>

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for 'Super Spinning Mills Limited'.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



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- xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App store and the Windows Phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix) Note for non-individual shareholders and custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
4. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 1st September 2016.
  5. Mr. M.D. Selvaraj FCS of MDS & Associates, Company Secretaries in Practice Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  6. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting 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 (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  7. The Results shall be declared within 2 days of the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website [www.superspinning.com](http://www.superspinning.com) and on the website of CDSL and communicated to the Stock Exchanges where the Company's shares are listed.
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**Additional Information of Directors seeking re-appointment as required under Regulation 36(3) of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India**

The information relating to the directors proposed to be appointed / re-appointed is given hereunder.

Name	Vijay Venkataswamy	A.S. Thirumoorthy
DIN	00002906	03604474
Age	69 Years	57 Years
Qualification	MBA	ACA
Expertise	More than four decades of experience in the Textile Industry	More than three decades of experience in the field of Finance and Textile Industry
Terms and Conditions of re-appointment	Mr. Vijay Venkataswamy is proposed to be appointed as an Independent Director of the Company for a further period of one year with effect from 01.06.2016. Details of the other terms and conditions of his appointment have been enumerated in his draft letter of appointment, which has been posted on the website of the Company.	Mr. A.S. Thirumoorthy was appointed as Managing Director of the Company for a period of 3 years effective from 01.04.2014.
Remuneration last drawn	₹ 81,000 paid as sitting fees	₹ 55.96 Lakhs
Remuneration proposed to be paid	Sitting fees only	As per the resolution approved by the shareholders on 10th September 2014
Date of first appointment on the Board	08-11-2004	01-04-2014
Shareholding in the Company	5000 Equity shares	5000 Equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any of the Director's of the Company	He is not related to any of the Director's of the Company
Number of meetings of the Board attended during the year	4 (Four)	4 (Four)
Directorships held in other companies	Vantex Ltd Coimbatore Pioneer Fertilizers Ltd Precot Meridian Ltd Super Sara Textiles Ltd Primo Soft (India) Pvt. Ltd	Elgi Building Products Ltd Sara Elgi Arteriers Ltd Super Sara Textiles Ltd
Membership / Chairmanship of Committees of Boards of other Companies in which he is a Director	<b>Nomination and Remuneration Committee Member</b> Precot Meridian Ltd <b>Audit Committee Chairman</b> Precot Meridian Ltd	Nil





## Directors' Report

### Dear Shareholders,

Your Directors are pleased to present the 54th Annual Report of the Company along with audited financial statements for the year ended 31st March, 2016.

### Financial Highlights:

The summary of the financial performance of the Company for the year ended 31st March 2016 is as follows. (₹ lakhs)

Particulars	31.03.2016	31.03.2015
Revenue from operation	34,829	44,050
Other Income	198	585
Total Revenue	35,027	44,635
Earnings before Finance Cost, Depreciation & Tax	686	1,813
Less: Finance Cost	2,143	2,304
Earnings before Depreciation & Tax	(1,457)	(491)
Less: Depreciation and amortization	995	1,037
Profit before Tax	(2,452)	(1,528)
Less : Exceptional Items	24	187
Less: Current and deferred Tax	(299)	(541)
Less: Adjustment for earlier years	--	-
Add : Extraordinary Items	1,595	-
Profit / (Loss) after Tax	(582)	(1,174)

### Review of business operations

During the year under review your Company has achieved a total turnover of ₹ 34,829 lakhs and incurred loss of ₹ 582 lakhs as against the previous year turnover of ₹ 44,050 lakhs and the loss of ₹ 1174 lakhs. Your Directors are confident that the performance would be improved during the current financial year.

### Change in the nature of business

There was no change in the nature of business of the Company during the financial year ended 31st March, 2016.

### Dividend

Due to losses incurred by the Company during the year under review the Directors have not recommended any Dividend for the year ended 31st March 2016.

### Transfer to Reserves

Due to losses incurred by the Company during the year under review the company is unable to transfer any amount to its reserves.

### Transfer of Unclaimed Dividend to Investor Education and Protection Fund

In terms of Section 205A & 205C of the Companies Act, 1956, an amount of ₹ 1,67,816/- being unclaimed dividend (2007-08) was transferred during the year to the Investor Education and Protection Fund established by the Central Government.

### Share Capital

The issued, subscribed and paid-up share capital of the Company as on 31.03.2016 stood at ₹ 5,50,00,000/- divided into 5,50,00,000 equity shares of ₹ 1/- each. During the year under review the Company has not made any fresh issue of shares.

The Company has decided to delist its equity shares from BSE Ltd due to insignificant transactions of its equity shares in BSE Ltd over a period of time.

### Extract of Annual Return

The extract of Annual Return in the prescribed Form No.MGT-9 pursuant to Section 92(3) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished as **Annexure 1** and is attached to this Report.

### Board Committees

Details on the composition of the Board and its Committees namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms part of this report.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from those standards;
- the directors had selected such accounting policies and applied them consistently and made judgments

and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;

- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had 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 operating effectively and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Details in Respect to Frauds Reported by Auditors under Section 143(12) of the Companies Act, 2013 other than those which are reportable to the Central Government**

There have been no frauds reported by the auditors pursuant to Section 143(12) of the Companies Act 2013.

**Declaration of Independent Directors**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under both the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Company's Policy relating to Directors appointment, payment of Remuneration and other matters provided under Section 178(3) of the Companies Act, 2013**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for fixing and revising remuneration of Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Remuneration policy of the Company is annexed herewith as

**Annexure 2** and can also be accessed on the Company's website at the link <http://www.superspinning.com/wp-content/uploads/2015/07/Nomination-and-Remuneration-Policy.pdf>. The Criteria for determining qualifications, positive attributes and Independence of Directors and Senior Management Personnel has been stated in **Annexure 3** to this report.

**Auditors' Report**

There were no qualifications, reservations, adverse remarks or disclaimers made by the M/s.Reddy, Goud and Janardhan, Statutory Auditors and Mr. M.D.Selvaraj of MDS & Associates, Secretarial Auditor in their report.

**Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013**

During the year under review the Company has not granted any loans or given any security or made any investments pursuant to the provisions of Section 186 of the Companies Act, 2013. However, the details in respect of investments made by the Company in the earlier years are disclosed in the notes to the financial statements.

**Particulars of Contract or Transactions with related parties**

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year 2015-16 were in the ordinary course of business and on an arm's length basis. Since there are no transactions which are not on arm's length basis and material in nature the requirement of disclosure of such related party transactions in Form AOC-2 does not arise.

The policy on related party transactions as approved by the Board of Directors of the Company has been uploaded on the company's website and may be accessed through the link at <http://www.superspinning.com/wp-content/uploads/2015/01/Policy-on-Related-Party-Transactions.pdf>.

**Material changes and commitments affecting the financial position of the Company**

There has been no material changes and commitments affecting the financial position of the Company which has occurred between the financial year ended 31st March, 2016 and the date of the report.