

**SARA ELGI**

**SUPER**



# **Super Spinning Mills Limited**

**56th Annual Report  
2017-18**





# Super Spinning Mills Limited

CIN: L17111TZ1962PLC001200

## Corporate Information

**Executive Chairman**

**Managing Director**

**Board of Directors**

Mr. Sumanth Ramamurthi

Mr. A S Thirumoorthy

Mr. C S K Prabhu

Mr. B Vijayakumar

Mr. Sudarsan Varadaraj

Mr. C G Kumar

Mrs. Suguna Ravichandran

Mr. B Lakshmi Narayana

Mr. A R Balasundharam

Mr. C Shankar

Ms. Ramaa Krishnakumar

M/s. Sethia, Prabhad Hegde & Co.,

Mr. M D Selvaraj, MDS & Associates

**Chief Financial Officer**

**Company Secretary**

**Auditors**

**Secretarial Auditor**

**Bankers**

Union Bank of India

State Bank of India

IDBI Bank

Andhra Bank

**Registrar and Share Transfer Agents**

Link Intime India Pvt Ltd (Coimbatore Branch)

"Surya" 35, May Flower Avenue,  
Behind Senthil Nagar, Sowripalayam Road,  
Coimbatore – 641 028

Phone : 0422-2314792, 2315792

Fax : 0422 - 2314792.

E-mail : coimbatore@linkintime.co.in

**Registered Office**

"ELGI TOWERS", PB 7113

Green Fields, 737-D Puliakulam Road

Coimbatore – 641045

Tamil Nadu

Tel : (0422) 2311711

Fax : (0422) 2311611

E-mail : investors@ssh.saraelgi.com

Website : www.superspinning.com

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### Mills Location

A Unit : Kirikera, Andhra Pradesh

B Unit : Kotnur, Andhra Pradesh

Super Sara: Beerapalli, Andhra Pradesh



## Notice to the Members

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Notice is hereby given that the **56<sup>th</sup> Annual General Meeting** of the Company will be held on **Wednesday, the 29<sup>th</sup> August 2018** 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 Statement of Profit and Loss (including other comprehensive income) the Statement of Cash Flows and the Statement of changes in equity for the financial year ended March 31, 2018, the Balance Sheet as at that date, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Sumanth Ramamurthi (DIN 00002773), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business

3. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory enactment or modification(s) thereof, for the time being in force), Mr.R.Krishnan, Cost Accountant, Membership No.7799, who was appointed as Cost Auditor by the Board of Directors of the Company, to conduct audit of the cost records of the Company for the financial year ending on 31<sup>st</sup> March 2019 on a remuneration of ₹ 50,000/- (Rupees Fifty Thousand Only) (exclusive of applicable Taxes and out of pocket expenses), 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.

4. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** subject to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactments thereof for the time being in force), the consent of the Company be and is hereby accorded for the payment of the following remuneration to Mr.A.S.Thirumoorthy (DIN: 03604474), Managing Director of the Company for a period of two months with effect from 1<sup>st</sup> April 2018 up to 31<sup>st</sup> May 2018, as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors at their meeting held on 28<sup>th</sup> March 2018:

Remuneration: -

- I. Salary: ₹ 2,42,000/- per month
- 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.
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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.

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

3. 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.

5. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** subject to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactments thereof for the time being in force), the consent of the Company be and is hereby accorded for the payment of the following remuneration to Mr.Sumanth Ramamurthi (DIN: 00002773), Executive Chairman of the Company (re-designated as Chairman and Managing Director of the Company w.e.f. 1<sup>st</sup> June 2018) for a period of two years with effect from 1<sup>st</sup> April 2018, as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors at their meeting held on 28<sup>th</sup> March 2018:

- I. Salary: ₹ 2,00,000/- per month with an annual increment upto 10% of 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.

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.

3. Free use of Company car with driver and reimbursement of conveyance expenses and telephones.
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 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. 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.

6. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and the Articles of Association of the Company, Mr.A.R.Balasundharam (DIN: 07802383) who was co-opted as an Additional Director of the Company by the Board of Directors, to hold office with effect from 20<sup>th</sup> May 2018 and in respect of whom the Company has received a notice from a member signifying his intention to propose Mr.A.R.Balasundharam as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

7. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force), the consent of the shareholders of the company be and is hereby accorded for the payment of consultancy fees not exceeding Rs.18,00,000/- per annum (exclusive of applicable taxes & sitting fees) to Mr.A.R.Balasundharam (DIN: 07802383), Non-executive Director for a period of one year with effect from 1<sup>st</sup> June 2018 for rendering consultancy services to the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

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

##### **Item No. 3**

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of Mr.R.Krishnan, Cost Accountant as Cost Auditor of the Company for the financial year 2018-19 for a fee of Rs.50,000/- (exclusive of applicable taxes and out of pocket expenses), for conducting the audit of the Cost Accounting records of the Company and for issuing an Audit report on cost accounting records maintained by the Company.

Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, requires the Board to appoint an individual, who is a Cost Accountant or a firm of Cost accountants,

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as Cost Auditors of the Company on the recommendations of the Audit Committee, which shall also recommend the remuneration for such Cost Auditor and such remuneration shall be approved by the Board of Directors and ratified subsequently by the shareholders at General Meeting.

Accordingly, the resolution contained in Item No.3 of the Notice seeks the approval of the members for ratification of remuneration payable to the Cost Auditors of the Company for the financial year 2018-19.

None of the Directors or Key Managerial Personnel of your Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

#### **Item No. 4**

Mr.A.S.Thirumoorthy was re-appointed as the Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> April 2017 on such remuneration as approved by the members at the Annual General Meeting held on 1<sup>st</sup> December 2017 for a period of 1 year with effect from 1<sup>st</sup> April 2017 up to 31<sup>st</sup> March 2018.

After a period of nine illustrious years at the company, Mr.A.S.Thirumoorthy tendered his resignation from the Board of Directors with effect from 31<sup>st</sup> May 2018 at their meeting held on 28<sup>th</sup> March 2018.

Pursuant to Section 178 of the Companies Act, 2013 & Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee & Audit Committee at their meetings held on 28<sup>th</sup> March 2018 had recommended/ approved the payment of remuneration to Mr.A.S.Thirumoorthy, Managing Director of the Company for a period of 2 months with effect from 1<sup>st</sup> April 2018 up to 31<sup>st</sup> May 2018 on such terms and conditions as set out in the resolution. The proposed remuneration is well within the limits prescribed in the Companies Act, 2013 and the Schedule and Rules made there under.

Based on the recommendations as mentioned above, the Board of Directors of the Company at their meeting held on 28<sup>th</sup> March 2018 have approved the payment of remuneration to Mr.A.S.Thirumoorthy, Managing Director of the Company for the above said period on such terms and conditions as set out in the resolution.

Pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 the remuneration of the Managing Director shall be subject to the approval of the shareholders of the Company in the General Meeting. Hence the necessary resolution has been set out in Item No.4 of the Notice for the approval of the members.

The Board recommends the resolution set out in Item No.4 of the Notice for the approval of the members.

The details as required under Schedule V of the Companies Act, 2013 and brief bio-data of Mr.A.S.Thirumoorthy and other disclosures as per Secretarial Standard 2 are furnished and form a part of this notice.

Except Mr.A.S.Thirumoorthy, being the recipient of the remuneration, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution as set out in Item No.4 of the Notice.

#### **Item No.5**

Mr.Sumanth Ramamurthi was re-appointed as the Executive Chairman of the Company for a period of 3 years with effect from 1<sup>st</sup> April 2017 on such remuneration as approved by the members at the Annual General Meeting held on 1<sup>st</sup> December 2017 for a period of 1 year with effect from 1<sup>st</sup> April 2017 up to 31<sup>st</sup> March 2018.

Pursuant to Section 178 of the Companies Act, 2013 & Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee & Audit Committee at their meetings held on 28<sup>th</sup> March 2018 had recommended/ approved the payment of remuneration to

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Mr.Sumanth Ramamurthi, Executive Chairman of the Company for a period of 2 years with effect from 1st April 2018 on such terms and conditions as set out in the resolution. The proposed remuneration is well within the limits prescribed in the Companies Act, 2013 and the Schedule and Rules made there under.

Based on the recommendations as mentioned above, the Board of Directors of the Company at their meeting held on 28<sup>th</sup> March 2018 have approved the payment of remuneration to Mr.Sumanth Ramamurthi, Executive Chairman of the Company for the above said period on such terms and conditions as set out in the resolution.

Consequent to the resignation of Mr.A.S.Thirumoorthy, Managing Director of the Company with effect from 31st May 2018, the Nomination and Remuneration Committee and the Board of Directors of the Company at their meetings held on 19<sup>th</sup> May 2018 have re-designated Mr.Sumanth Ramamurthi, as a Chairman and Managing Director of the Company for the remaining period of his tenure with effect from 1st June 2018.

Mr. Sumanth Ramamurthi, graduate in Electrical Engineering is a person having more than three decades of experience in the fields of textile and engineering industry. In view of his performance and capabilities along with his experience in the industry, he was re-designated as the Chairman and Managing Director of the Company.

Pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the payment of remuneration to him shall be subject to the approval of the shareholders of the Company in the General Meeting. Hence, the necessary resolution has been set out in Item No.5 of the Notice for the approval of the members.

The Board recommends the resolution set out in Item No. 5 of the Notice for the approval of the members.

The details as required under Schedule V of the Companies Act, 2013 and brief bio-data of Mr.Sumanth Ramamurthi and other disclosures as per Secretarial Standard 6 are furnished and form a part of this notice.

Except Mr.Sumanth Ramamurthi, being the recipient of remuneration/ appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution as set out in Item No. 5 of the Notice.

#### **Item No.6**

Mr.A.R.Balasundharam was appointed as an Independent Director of the Company with effect from 1<sup>st</sup> June 2017. In his tenure as an Independent Director, Mr.A.R.Balasundharam has provided insights into the textile industry which have proved to be invaluable to the company.

Mr.A.R.Balasundharam has given a declaration to the effect that he does not meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 upon receipt of the consultancy fees.

Considering his value addition to the Company, the Board of Directors of the Company has on the recommendation of the Nomination and Remuneration Committee at their meeting held on 19<sup>th</sup> May 2018 appointed Mr.A.R.Balasundharam as an Additional Director of the Company to hold office with effect from 20<sup>th</sup> May 2018. Mr. A.R. Balasundharam, a B.Tech-Textile Graduate, is a person having more than three decades of experience as a textile professional. The Board is of the view that his performance and capabilities along with his experience in the industry would be of immense benefit in strengthening and improving the technical support to the Company.

Further, a notice has been received from a member signifying his intention to propose Mr. A.R. Balasundharam as a candidate for the office of Director of the Company, liable to retire by rotation.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as a Director of the Company.

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The Board recommends the resolution in relation to appointment of Mr.A.R.Balasundharam, as Director, for the approval by the shareholders of the Company.

Except Mr.A.R.Balasundharam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

**Item No.7**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, have at their meeting held on 19<sup>th</sup> May 2018 accorded their approval for the payment of consultancy fees not exceeding Rs.18,00,000/- per annum (exclusive of applicable taxes & sitting fees) to Mr. A.R. Balasundharam, Director of the Company for rendering consultancy services to the Company for a period of one year with effect from 1st June 2018. The payment of consultancy fees would be in addition to the sitting fees payable for attending the meetings of the Board and the Committees thereof.

Pursuant to Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Shareholders of the Company is required for payment of any fees / compensation to the Non-Executive Directors of the Company. Accordingly, the said resolution has been included in Item No. 7 of the Notice for the approval of the members.

The Board recommends the resolution set out in Item No. 7 of the Notice for the approval of the members.

Except Mr.A.R.Balasundharam, being the beneficiary, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution as set out in Item No. 7 of the Notice.

By order of the Board  
For Super Spinning Mills Limited

Coimbatore  
19<sup>th</sup> May, 2018

**Ramaa Krishnakumar**  
Company Secretary

**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. At the 55th Annual General Meeting of the Company held on December 01, 2017, the members approved the appointment of M/s. Sethia, Prabhad Hegde & Co., (Firm Registration No. 013367S) Chartered
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Accountants, as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the 60th Annual General Meeting, subject to ratification of their appointment by members at every Annual General Meeting, if so required by the Companies Act 2013. Vide notification dated May 7, 2018 the Ministry of Corporate Affairs has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 56th Annual General Meeting.

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 Thursday, 23<sup>rd</sup> August 2018 to Wednesday, 29<sup>th</sup> August 2018 (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 appointment / re-appointment at the Annual General Meeting are furnished and forms integral part of the Notice. The Directors have 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. 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.
  10. 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.
  11. To support the "Green Initiative", the members who have not registered their e-mail addresses are requested to register the same with the Registrar and Share Transfer Agent / Depositories.
  12. Copies of the Annual Report 2017-18, the Notice of the 56<sup>th</sup> 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.
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