

SARA ELGI

SUPER



Super Spinning Mills Limited

50th Annual Report
2011-12

SUPER



Super Spinning Mills Limited

**Chairman
Managing Director
Board of Directors**

Chief Operating Officer

Company Secretary

Auditors

Bankers

Registrar and Share Transfer Agent

Registered and Central Office

**Mr. Vidyaprakash D
Mr. Sumanth Ramamurthi
Mr. C S K Prabhu
Mr. D Sarath Chandran
Mr. Sudarsan Varadaraj
Mr. B Vijayakumar
Mr. Vijay Venkataswamy**

Mr. A S Thirumoorthy

Mr. R Srikanth

M/s. Reddy, Goud & Janardhan

**Union Bank of India
State Bank of India
IDBI Bank
Andhra Bank
ICICI Bank
Axis Bank
State Bank Of Hyderabad**

**Link Intime India P Ltd
"SURYA", 35, Mayflower Avenue
Behind Senthil Nagar
Sowripalayam Road
Coimbatore – 641 028
Ph : (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
Ph : (0422) 2311711, 4351711
Fax : (0422) 2311611, 2315111
E-mail : super@ssh.saraelgi.com
Internet : www.superspining.com**

**Mills
A Unit : Kirikera, Andhra Pradesh
B Unit : Kotnur, Andhra Pradesh
C Unit : D-Gudalur, Tamil Nadu
Super Sara : Beerapalli, Andhra Pradesh**

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Notice to the Members

Notice is hereby given that the 50th Annual General Meeting of the Company will be held on **Wednesday, the 5th September 2012** at **3.30 PM** 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 Statement of Profit and Loss for the year ended 31st March 2012
 - b. The audited Balance Sheet as at 31st March 2012 and
 - c. The reports of the Directors' and the Auditors'
2. To appoint a Director in the place of Mr. Sudarsan Varadaraj, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. C S K Prabhu, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

For and on behalf of the Board

Coimbatore
22nd May, 2012

Vidyaprakash D
Chairman

Notes:

1. **EVERY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Instrument appointing a proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

3. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
4. The register of members and share transfer books of the company will remain closed from 30th August 2012 to 5th September 2012 (both days inclusive).
5. The brief profile and other information in respect of Non-Executive Directors seeking re-appointment are furnished in the notice.
6. The Company has transferred the unclaimed dividend to the General Revenue Account of the Central Government for and up to the financial year 1994-95. The concerned members may therefore submit their claims to the Registrar of Companies, Coimbatore (Tamilnadu), Stock Exchange Building, Singanallur, Coimbatore – 641 005.
7. The Company has transferred the amount of unclaimed dividends paid from 1995-96 to 2004-05 to the Investors Education and Protection Fund of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956.
8. 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 31.03.2006 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.
9. 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.


Details of Directors seeking Re-appointment (in pursuance of Clause 49(IV)(G) of the Listing Agreement)

Name	Mr. Sudarsan Varadaraj
Date of Birth	22.01.1958
Year of induction to the Board	1993
Qualification	B.E (Hons), M.S (ME)
Expertise in functional areas	More than three decades of experience in the fields of Automobile and Rubber Industries
Shareholding	72810
Directorships	
Name of Company	Chairman / Member of Committees
1. Super Spinning Mills Limited	Audit Committee Member Remuneration Committee Member
2. Elgi Rubber International Ltd	Investors Grievance Committee Member Finance & Administrative Committee Member
3. KLRF Ltd	Audit Committee Member Remuneration Committee Member
4. Treadsdirect (India) Ltd	-
5. Elgi Equipments Ltd	-
6. Elgi Ultra Industries Ltd	-
7. LRG Technologies Ltd	-
8. Titan Tyrecare Products Ltd	-
9. Festo Controls P Ltd	-
10. Tyre Point P Ltd	-
11. Treadsdirect Ltd, Kenya	-
12. Treadsdirect Ltd, Srilanka	-
13. Treadsdirect Ltd, Bangladesh	-

Name	Mr. C S K Prabhu
Date of Birth	10.09.1954
Year of induction to the Board	2003
Qualification	FCA
Expertise in functional areas	More than three decades of experience as Auditor, specializing in the areas of finance, direct taxation, accounting etc.
Shareholding	5000
Directorships	
Name of Company	Chairman / Member of Committees
1.Super Spinning Mills Ltd	Audit Committee Chairman Remuneration Committee Chairman Investors Grievance Committee Member
2.Bannari Amman Spinning Mills Ltd	Audit Committee Chairman Investors Grievance Committee Member
3.Kakatiya Textiles Ltd	Audit Committee Member Remuneration Committee Member Investors Grievance Committee Member
4.Shiva Texyarn Ltd	Audit Committee Member
5. The Scientific Fertilizer Co (P) Ltd	-



Directors' Report and Management Discussion & Analysis

To the Members,

Your Directors have pleasure in presenting the 50th Annual Report together with the audited statement of accounts for the financial year ended 31st March 2012.

Financial Results		(₹ in lakhs)	
Particulars	31.03.2012	31.03.2011	
Revenue from operations	37795	47776	
Total Revenue	39243	48378	
Earnings before Finance cost, Depreciation & Tax			
Less: Finance cost	(1264)	5856	
Earnings before Depreciation & Tax	(4287)	2293	
Less: Depreciation & Amortisation	1900	2081	
Profit before Tax	(6187)	1482	
Less: Current & Deferred Tax	(2251)	(19)	
Less: Adjustment for earlier years	355	110	
Profit after tax	(4292)	1391	
Add: Balance brought forward	(160)	(1551)	
Profit available for appropriations and carry forward	(4452)	(160)	

Dividend

Your Directors have not recommended any dividend for the financial year 2011-12 since the Company has incurred a loss.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Conditions and Review of Operations

During the first quarter of financial year 2011-12 cotton price crashed due to global pressure and frequent changes in government policies with regard to cotton and cotton yarn exports. Poor realisation was a general prevalence for entire textile industry.

During the period, domestic and international cotton prices fell steadily from the peak levels seen during March 2011. As a result of this, the prices of cotton stocks held by the company were higher than the market prices, coupled with major fall in yarn price. These were the factors mainly attributable for huge loss of the Company. Added to above, the continued shortage of power in Tamilnadu and Andhra Pradesh has affected the utilisation levels and has increased energy costs.

Company outlook

During the last quarter of the financial year there is a marginal improvement in the demand for the Company's products and further improvement is expected. Cotton prices are fairly stable in the current year. Measures are being taken to save costs and rationalize operations, that are likely to yield positive results. The decline in consumer spending which had affected sale of yarn is expected to ease with the gradual improvement in the economic conditions.

Opportunities, Risks and Concerns

The forecast of good monsoon gives hope for higher production and lower prices of cotton.

Frequent changes in government policies with regard to export of cotton and yarn will have a serious impact on prices. Power and labour shortage are major concerns, which could lead to escalation in cost of production. Higher inflation and increase in interest rates would have adverse impact on profit margins of the company.

Consolidated Financial Statements of Subsidiaries

The Consolidated Financial Statements of the Company and its subsidiary companies, prepared in accordance with the Accounting Standard 21 (AS - 21) prescribed by the Institute of Chartered

Accountants of India are attached and forms part of the Annual Report and Accounts

Subsidiary Companies

The Company has two subsidiaries namely M/s Sara Elgi Arteriors Limited - a wholly owned subsidiary and M/s Elgi Building Products Limited - step down subsidiary. The statement pursuant to Section 212 of the Companies Act 1956, containing details of subsidiaries of the Company forms part of this Annual report.

The Ministry of Corporate Affairs vide General Circular No. 2/2011 dt. 8th February 2011 has granted a general exemption from attaching a copy of the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies along with holding company and hence the same have not been attached herein.

However, as per the conditions of the above referred circular the brief financial statement of subsidiaries is included in the Annual report. The Annual Accounts of the subsidiary companies will be made available to the shareholders seeking such information at any point of time. The annual accounts of the Subsidiary Companies will also be kept open for inspection by any shareholder at its Registered / Corporate Office.

The above said subsidiaries are non - material unlisted Indian subsidiary of the Company in terms of the Listing Agreement.

Directors

Mr. Sudarsan Varadaraj, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. C S K Prabhu, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The particulars of the Directors proposed to be appointed or re-appointed are given in the Notice of this Annual Report.

Internal Control System

The Company has an effective internal control system that is commensurate to the size and nature of its business and ensures timely and accurate financial reporting in accordance with applicable accounting standards, compliance with applicable laws, management policies, listing agreements and regulations, optimum utilization, timely maintenance and safety of assets, and an effective management information system based on the SAP - ERP system, the efficacy of which is constantly reviewed and improved to ensure reliability of the processes. The Internal Auditor appointed by the Board conducts regular audit of the internal control systems and reports to the Audit Committee of the Board of Directors, which periodically reviews the performance and adequacy of internal control systems and tracks compliance status of Audit observations.

Foreign Exchange earnings

Total Foreign exchange earned and used:

Earned : ₹ 5760.76 Lakhs

Used : ₹ 1037.44 Lakhs

Fixed Deposits

During the year the Company did not accept or renew any Fixed Deposits and no Fixed Deposits remained unclaimed with the Company as on 31st March 2012.

Auditors

M/s. Reddy, Goud & Janardhan, the Auditors of the Company retire at the ensuing Annual General Meeting and have given their consent for re-appointment.



Cost Auditors

Pursuant to the provisions of the Section 233B of the Companies Act, 1956, the Board of Directors of your company have re-appointed M/s S. Mahadevan & Co as Cost Auditors and approved by the Central Government for the Financial Year 2012-2013.

Personnel Relations

Staff and Labour relations during the year at all units of the company continued to be cordial.

Statutory Information

A statement showing particulars of technology absorption under Section 217(1) (e) of the Companies Act, 1956 and a report on corporate governance are enclosed and form part of this report. Information pursuant to Section 217(2A) of the Companies Act, 1956, is not furnished as there are no employees covered by the said provisions.

Directors Responsibility Statement u/s. 217 (2AA)

Your Directors confirm that:

- In the preparation of the annual accounts, all applicable accounting standards had been followed along with proper explanation relating to material departures;
- We 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 the end of financial year and of the profit or loss of the company for that period;

- Proper and significant care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for the preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

Acknowledgement

Your Directors wish to thank the Company's Bankers, Financial Institutions, Customers and Suppliers for their unstinted support and co-operation.

Your Directors wish to place on record their appreciation of the confidence reposed by the shareholders in the Company at all times.

The Board of Directors also wishes to thank the employees at all levels for their excellent support and contribution made by them.

Coimbatore
22nd May 2012

By Order of the Board
Vidyaprakash D
Chairman

Annexure to the Directors Report and Management Discussion and Analysis

A. Conservation of Energy

- Increased power factor by adding capacitors to overcome the cost increase due to change of billing based on kwh to kvah.
- Increased no of locations of Humifog System in the units.
- Energy saving fans installed in Waste Recovery system of A and B units which proves 25% energy saving. Lighting stabilizers installed in all units.
- Monitoring of Air Leakage and Air pressure by arresting leakages in air distribution lines from preparatory machineries to autoconers by 'energy conservation cells' established in each units, helped the company effect significant savings in energy consumption. The details of total consumption are as follows.

FORM-A - CONSERVATION OF ENERGY (CONSOLIDATED FOR ALL SPINNING UNITS)

31.03.2012 31.03.2011

I. Power & Fuel Consumption

1. Electricity

(A) Purchased

Units in Lakhs	822.2	1002.4
Total Amount in ₹ Lakhs	2332.6	4178.4
Rate Per Unit in ₹	2.8	4.2

(B) Own Generation

(i) Through Diesel Generator

Units in Lakhs	16.0	24.8
Units Per Litre Of Diesel Oil	3.3	3.5
Total Amount in ₹ Lakhs	206.0	265.8
Cost Per Unit in ₹	12.8	10.7

(ii) Through Wind Mill Generation

Units in Lakhs	60.2	66.4
Total Amount in ₹ Lakhs	162.5	179.2
Rate Per Unit in ₹	2.7	2.7

II. Consumption Per Unit Of Production

(Production Of Various Counts Has Been
Converted To The Standard Count Of 40S)

Electricity (in Units) Per Kg **6.2** **6.1**

B. Research and Development

Research and Development activities are currently focused on modified carding system for effective carding process. Investigations have shown improved results. The number of Carding increased to channelise a process and results proves continuous saving of Comber Noils by 1.5%.

C. Technology Absorption, Adaptation and Innovation

- Installed additional contamination detectors in blowroom to reduce the manpower.
- The Company is in process of conducting Recycled fibre spinning trials.



Report on Corporate Governance

Company's philosophy on code of governance

The Company's philosophy on Corporate Governance finds expression in a self governing model of voluntary adherence of all statutory rules and regulations, timely disclosures, transparent accounting policies and practices, maintenance of the highest degree of integrity and ethical conduct towards all the stakeholders namely shareholders, employees, financial institutions, suppliers and business partners.

Board of Directors - Composition, Category and Attendance

Your Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors as per requirements of Clause 49 of the Listing Agreement. The Board comprises of Seven Directors including two Executives and five Non-Executive Independent Directors.

During the year 2011-12, five Board Meetings were held at the Registered Office on 26.05.2011, 05.08.2011, 10.10.2011, 09.11.2011 and 07.02.2012.

Composition of Directors and their attendance

Name of the Director	Category	No. of Directorships in other Companies #	Committee of other Board's in which he is a Member / Chairman *	No. of Board Meetings attended	Whether attended the AGM held on 02.09.2011
Mr. Vidyaprakash D Executive Chairman	Promoter's relative and Executive	3	Nil/Nil	5	Yes
Mr. Sumanth Ramamurthi Managing Director	Promoter and Executive	12	1/Nil	5	Yes
Mr. C S K Prabhu	Independent and Non-Executive	3	4/2	4	Yes
Mr. D Sarath Chandran	Independent and Non-Executive	6	2/Nil	4	No
Mr. Sudarsan Varadaraj	Independent and Non-Executive	7	3/Nil	2	No
Mr. B Vijayakumar	Independent and Non-Executive	7	3/Nil	4	No
Mr. Vijay Venkataswamy	Independent and Non-Executive	4	Nil/1	4	No

Excluding Directorships in Private and Foreign Companies

* Excluding membership in Administrative Committees.

Relationship of Directors inter-se

Director	Related Director(s)	Relationship inter-se
Mr. Sumanth Ramamurthi	Mr. Vidyaprakash D	Sister's Husband

Committees of the Board

Audit Committee

The Audit Committee of the Company is constituted in compliance with the provisions of Section 292A of the Companies Act 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges

All the members of the Audit Committee are independent and have knowledge of finance, accounts and the textile industry. The quorum for audit committee meeting is two independent directors.

The Chairman of the Audit Committee, Mr C S K Prabhu was present at the last Annual General Meeting.

The Audit Committee meetings were held at the Registered Office of the Company and during the year the committee met four times on 19.05.2011, 30.07.2011, 03.11.2011 and 04.02.2012. The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name	Category	No. of Meetings Held	No. of Meetings Attended
Mr. C S K Prabhu, Chairman	Non Executive - Independent	4	4
Mr. Sudarsan Varadaraj	Non Executive – Independent	4	1
Mr. B Vijayakumar	Non Executive – Independent	4	4
Mr. Vijay Venkataswamy	Non Executive - Independent	4	3

The Statutory Auditors, Internal Auditors and Executives of the Company attended the meetings. The minutes of the Audit Committee Meetings were placed at the Board Meetings. The Company Secretary acts as the Secretary of the Committee.



Remuneration Committee

The terms of reference of the Remuneration Committee include:

- Recommendation for fixation and periodic revision of compensation of the Managing Director and Executive Directors to the Board for approval and
- Review the sitting fees payable to the Directors.

No meeting of the Remuneration Committee of the Board was held during the year.

Remuneration of Directors

Remuneration of the whole-time Directors are decided by the Board based on the recommendations and approval of the Remuneration Committee as per the remuneration policy of the company, within the ceiling fixed by the shareholders. The remuneration paid/payable to the Executive Directors of the Company for the year ended 31st March 2012 is as follows.

Name of the Director	Salary and Perks (In ₹)	Service Contract
Mr. Vidyaparakash D Executive Chairman	20,64,000	01.04.2011 to 31.03.2014
Mr. Sumanth Ramamurthi Managing Director	25,80,000	01.04.2011 to 31.03.2014

The Non-Executive Directors are paid sitting fees for attending each Board and Committee Meetings. The sitting fees paid to each such Director was ₹10,000/- for each Board Meeting and Audit Committee Meeting. ₹1,000/- each for Remuneration Committee Meeting and Shareholders Committee Meeting. The Company does not have any stock option scheme for the Directors and the Employees at present.

Name of the Non-Executive Director	Sitting Fees (in ₹)	No. of Shares held
Mr. C S K Prabhu	87,000	5000
Mr. Vijay Venkataswamy	70,000	5000
Mr. D Sarath Chandran	44,000	11710*
Mr. Sudarsan Varadaraj	30,000	72810
Mr. B Vijayakumar	80,000	6670

*Including 6500 shares held in HUF.

Shareholders / Investors Grievance Committee

The committee deals in matters relating to transfer and transmission of shares, issue of duplicate share certificates, review of dematerialized shares, redressing of investors complaints. The share transfers / transmissions are approved by the committee. The minutes of the same are placed at the Board Meetings from time to time.

The composition of the Shareholders / Investors Grievance Committee and particulars of meetings attended by the members.

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Vidyaprakash D	7	7
Mr. Sumanth Ramamurthi	7	7
Mr. D Sarath Chandran	7	4
Mr. C S K Prabhu	7	7
Compliance Officer	7	7

Seven meetings of the Shareholders / Investors Grievance Committee were held during the year 2011-2012 on 11th April 2011, 4th May 2011, 19th May 2011, 29th June 2011, 15th July 2011, 1st February 2012 and 26th March 2012. During the year the Company had received two complaints from the shareholders and the same had been redressed to the satisfaction of the shareholders. There were no complaints pending unresolved during the year ended 31.03.2012.

General Body Meetings

Details of Annual General Meetings held in last three years

Year	Location	Date	Time	Special Resolutions passed in the AGM's
2009	Ardra Convention Centre Kaanchan No.9, North Huzur Road Coimbatore-641 018	23.09.2009	3.00 PM	Nil
2010	Ardra Convention Centre Kaanchan No.9, North Huzur Road Coimbatore-641 018	13.09.2010	3.30 PM	Nil
2011	Ardra Convention Centre Kaanchan No.9, North Huzur Road Coimbatore-641 018	02.09.2011	3.30 PM	<ul style="list-style-type: none"> • Re-appointment of Executive Chairman and revision in the remuneration • Re-appointment of Managing Director and revision in the remuneration



Disclosure

(A) Related Party Transactions

There were no materially significant related party transactions i.e., transactions of the company of material nature, with its promoters, directors or the management, their subsidiaries, relatives etc., that may have potential conflict with the interests of the company at large. The related party transactions are duly disclosed in the notes to the accounts.

(B) Compliances by the Company

- There were no cases of non-compliance by the company. No penalties or strictures imposed by stock exchanges or SEBI or any other statutory authorities on any matter related to capital markets, during the last three years.
- No treatment different from the accounting standards prescribed by the Institute of Chartered Accounts of India has been followed in the preparation of financial statements.
- The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement
- The Company has at present adopted the non-mandatory requirement with regard to constitution of Remuneration Committee, which has been constituted to determine the remuneration of the whole-time Directors (including Executive Chairman/Managing Director).
- The Company has not adopted any whistle blower policy at present. However, there is no restriction on any personnel to approach the management or the Audit Committee on any issue.

(C) Shareholders Rights

The quarterly financial results are published in the newspapers and displayed on website of the company. The results are not separately circulated to the shareholders.

Means of Communication

The company regularly intimates un-audited as well as the audited financial results to the Stock Exchanges immediately after the same was taken on record by the Board. The Financial results are published in MAALAI MALAR and FINANCIAL EXPRESS and displayed on the website of the company www.superspinning.com.

General Information to Shareholders

Annual General Meeting : Wednesday, 5th September 2012 at 3.30 PM

Venue : Ardra Convention Centre, Kaanchan, No.9, North Huzur Road, Coimbatore - 641 018

Date of Book Closure : From 30th August 2012 to 5th September 2012 (Both days Inclusive)

Financial Year : 1st April 2012 to 31st March 2013

Market price data for the year 2011- 12

Month	Share Price BSE		Sensex		Share Price NSE		S&P Nifty	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April'11	14.80	11.25	19,811.14	18,976.19	13.50	11.15	5944.45	5693.25
May'11	11.74	9.10	19,253.87	17,786.13	11.85	8.95	5775.25	5328.70
June'11	10.30	7.40	18,873.39	17,314.38	10.80	7.05	5657.90	5195.90
July'11	12.00	7.97	19,131.70	18,131.86	11.25	7.90	5740.40	5453.95
August'11	10.00	7.10	18,440.07	15,765.53	10.30	7.00	5551.90	4720.00
September'11	8.88	7.70	17,211.80	15,801.01	9.50	6.55	5169.25	4758.85
October'11	8.20	7.25	17,908.13	15,745.43	8.20	7.00	5399.70	4728.30
November'11	8.00	5.40	17,702.26	15,478.69	7.95	5.05	5326.45	4639.10
December'11	7.50	5.66	17,003.71	15,135.86	7.75	5.70	5099.25	4531.15
January'12	8.75	6.01	17,258.97	15,358.02	8.60	6.05	5217.00	4588.05
February'12	8.15	6.14	18,523.78	17,061.55	8.20	6.15	5629.95	5159.00
March'12	7.20	5.75	18,040.69	16,920.61	7.30	5.65	5499.40	5135.95

Note: The Face Value is ₹1/-

Listing on Stock Exchanges

The Equity Shares of the company are listed on The Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Coimbatore Stock Exchange Limited. The company confirms that it has paid annual listing fees to The Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the year 2012-2013. Necessary applications have already been made in connection with the de-listing of shares of the company from Coimbatore Stock Exchange Limited and the Coimbatore Stock Exchange Limited have indicated their inability to presently give effect to the de-listing request due to pending dispute involving the exchange and its members.



Stock Details

Name of the stock Exchange	Scrip code
Bombay Stock Exchange Ltd	521180
National Stock Exchange Ltd	SUPERSPIN
Coimbatore Stock Exchange Ltd	-

Share Transfer System

All the applications received either for transfer or dematerialization will be processed only after getting the approval from the members of the Shareholder's Committee.

Secretarial Audit

Secretarial Audit on a quarterly basis was done by a qualified practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) with the total issued and listed capital. The audit confirms the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Risk Management

The company manages risks as an integral part of its decision making process. The Audit Committee and the Board of Directors are regularly appraised regarding key risk assessment and risk mitigation mechanisms.

Details of dematerialized shares as on 31.03.2012

Number of shares dematerialized : 51880365

% of shares dematerialized : 94.33%

The Company has paid custodial fees for the year 2012-13 to National Securities Depository Limited and Central Depository Services (India) Limited.

International Securities Identification Number (ISIN) with NSDL & CDSL:

INE662A01027

Distribution of Shareholding as on 31.03.2012

S. No	Category	No. of Shares held	% of holding
A	Promoter's Holdings		
	Promoters:		
	Indian Promoters	22010956	40.02
	Foreign Promoters		
	Persons acting in concert		
	Sub Total	22010956	40.02
B	Non-promoters Holdings		
	Institutional Investors		
	Mutual Fund and UTI	4400	0.01
	Banks, Financial Institutions, Insurance Companies, (Central/State Govt. and NON Govt. Institutions)	5000	0.01
	FII's	1103500	2.01
	Sub Total	1112900	2.03
C	Others		
	Private Corporate Bodies	4118713	7.49
	Indian Public	26897100	48.90
	NRIs/OCBs	281214	0.51
	Any other	579117	1.05
	Sub Total	31876144	57.95
	Grand Total	55000000	100.00


Distribution of shareholdings as on 31.03.2012

Shares	No of Shareholders	% of Shareholders	No of Shares	% of Shares
1 - 500	5616	52.1158	1375907	2.5016
501 - 1000	1862	17.2791	1652030	3.0037
1001 - 2000	1214	11.2658	1973588	3.5883
2001 - 3000	555	5.1503	1468703	2.6704
3001 - 4000	258	2.3942	942991	1.7145
4001 - 5000	286	2.6540	1376686	2.5031
5001 - 10000	479	4.4451	3588750	6.5250
10001 - Above	506	4.6956	42621345	77.4934
Total	10776	100.0000	55000000	100.0000

CEO / CFO Certification

The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Clause 49 (V) of the Listing Agreement, the certificate forms part of Annual Report.

Code for Prevention of Insider Trading

The Company has framed a Code of Conduct for Prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors / Officers / Designated employees. The Code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

Code of Conduct

The code of conduct for the Board Members, Senior Management Personnel and the Employees of the company is posted on the website of the company. All Board members and senior management personnel have affirmed compliance with the same and the duly signed declaration to this effect made by the CEO is annexed hereunder:

Declaration as required Under Clause 49 of the Listing Agreement

All Board Members and Senior Management Personnel of the company have affirmed compliance with the provisions of the Super Spinning Mills Ltd – Code of Conduct for the financial year ended 31.03.2012.

Coimbatore
22nd May, 2012

Sumanth Ramamurthi
Managing Director & CEO

Plant Locations

A Unit Kirikeri, Hindupur, Ananthapur Dist, Andhra Pradesh.	C Unit D Gudalur, Karur, Tamil Nadu
B Unit Kotnur, Hindupur, Ananthapur Dist, Andhra Pradesh.	Super Sara Beerepalli, Hindupur, Ananthapur Dist, Andhra Pradesh.
Address for Correspondence and Registered Office Mr R Srikanth Company Secretary & Compliance Officer Super Spinning Mills Limited "Elgi Towers", PB No. 7113 737-D, Green Fields, Puliakulam Road Coimbatore - 641 045, Tamil Nadu Phone: 91-422-2311711, 4351711 Fax Number: 91- 422 - 2311611 E Mail.: super@ssh.saraelgi.com Web: www.saraelgi.com	Address for Correspondence with Registrar and Share Transfer Agent Coimbatore Branch Office Link Intime India Pvt Limited (Formerly Intime Spectrum Registry Ltd) "SURYA" 35 Mayflower Avenue Behind Senthil Nagar Sowripalayam, Coimbatore – 641 028. Tamil Nadu Phone: 91 - 422 - 2314792 Fax Number: 91 - 422 – 2314792,2315792 E Mail - coimbatore@linkintime.co.in



AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To

The members of Super Spinning Mills Limited,

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Super Spinning Mills Ltd. for the year ended 31st March 2012, as stipulated in clause 49 of the Listing agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, conducted in the manner described in the "Guidance Note on certification of Corporate Governance" issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and on the basis of our examination described above, the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For **Reddy, Goud & Janardhan**
Chartered Accountants
Registration No.003254S

Balakrishna S Bhat
Partner
Membership No.202976

Coimbatore
22nd May, 2012

Certification by Chief Executive Officer and Chief Financial Officer

To the Board of Directors of Super Spinning Mills Limited,

We, Sumanth Ramamurthi, Managing Director & CEO and A S Thirumoorthy, Chief Operating Officer & CFO of Super Spinning Mills Limited, certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2012 and to the best of our knowledge and belief: -
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March 2012 are fraudulent, illegal or in violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such the internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
 - i. There have not been any significant changes in internal control over financial reporting during he year ended 31st March 2012.
 - ii. There have not been any significant changes in accounting polices during the year ended 31st March 2012.
 - iii. There have been no instances during the year ended 31st March 2012 of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

Coimbatore
22nd May, 2012

Sumanth Ramamurthi
Managing Director & CEO

A S Thirumoorthy
Chief Operating Officer & CFO



Auditors' Report

To

The Members of Super Spinning Mills Limited,

We have audited the attached Balance Sheet of Super Spinning Mills Limited, as at 31st March 2012, the statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - a. We have 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 appears from our examination of those books.

Annexure referred to in paragraph 1 of our report of even date

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The assets have been physically verified by the management during the year in accordance with a phased programme of verification, which, in our opinion is reasonable, considering the size and the nature of its assets.
- c. The Company has not disposed off any substantial part of the fixed assets during the year.
2. a. The inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b. In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a. The company had made advances to two parties covered in the register maintained under section 301 of the Companies Act, 1956. The amount involved in the transaction is ₹ 826.14 Lakhs.
- b. No interest is charged with respect to the above advances. However, other terms and conditions on which advances were made to the parties covered under Section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the company.

- c. The Balance Sheet, the statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, the statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on 31st March 2012 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 - ii. In the case of the statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Reddy, Goud & Janardhan**
Chartered Accountants
Registration No.003254S
Balakrishna S Bhat
Partner
Membership No.202976

Coimbatore
22nd May, 2012

- c. According to the information and explanations given to us, the receipt of advance amount is regular as stipulated.
- d. According to the information and explanations given to us, there are no overdue amounts with respect to the above said advances and as such Clause (d) is not applicable.
- e. According to the information and explanations given to us, the Company had not taken any loans, secured or unsecured, from companies, firms or other parties as covered in the register maintained under section 301 of the Companies Act, 1956 and hence the provisions of clause (iii)(e), clause (iii)(f) and clause (iii)(g) of the said Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
5. a. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the registers maintained under Section 301 of the Companies Act, 1956, have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to information and explanations given to us, the company has complied with the provision of



Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

7. In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business.
8. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. a. According to the information and explanations given to us and based on the examination of books of account and records produced before us, we are of the opinion that the undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable, have been regularly deposited by the company during the year with the appropriate authorities.
- b. As at 31st March 2012, according to the records of the Company and the information and explanations given to us, the particulars of disputed dues (provided / considered contingent liability, as appropriate) in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess wherever applicable that have not been deposited on account of a disputes are tabulated as in clause (c).
- c. According to the information and explanations given to us, the details of disputed statutory dues remaining unpaid and the forum where the dispute is pending are listed as under:

₹ Lakhs

Sl No	Name of Statute	Issues in the Appeal	Demand Amount	Period to which the amount relates	Forum Where Dispute is Pending
1	Income Tax	Disallowance of depreciation on humidification plant	14.61	1989-90	High Court, Chennai
2	Income Tax	Disallowance of replacement of machinery	70.69	1993-94	CIT(A), Coimbatore
3	Income Tax	Disallowance of replacement of machinery	362.27	1994-95	CIT(A), Coimbatore
4	Income Tax	Disallowance of Replacement of machinery	241.67	1996-97	CIT(A), Coimbatore
5	Income Tax	Computation of book profit for MAT purpose	34.57	1997-98	High Court, Chennai
6	Income Tax	Disallowance of Replacement of machinery	553.68	1998-99	CIT(A), Coimbatore
7	Income Tax	Disallowance of replacement of machinery	183.81	1999-00	CIT(A), Coimbatore
8	Income Tax	Disallowance of replacement of machinery	42.51	2000-01	CIT, Coimbatore
9	Income Tax	Disallowance of replacement of machinery	228.80	2002-03	CIT(A), Coimbatore
10	Income Tax	Exclusion of 90% insurance and interest receipts, miscellaneous income, disallowance of replacement of machinery, validity of assessment u/s 143(3) & deduction of Sec 80IA claim from the deduction of Sec 80HHC	318.92	2003-04	CIT(A), Coimbatore and High Court, Madras
11	Income Tax	Disallowance of replacement of machinery	230.00	2004-05	CIT(A), Coimbatore
12	Income Tax	Disallowance of replacement of machinery & Deduction u/s Sec 80IA	251.84	2005-06	CIT(A), Coimbatore
13	Income Tax	Disallowance of replacement of machinery	378.53	2006-07	CIT(A), Coimbatore
14	Income Tax	Disallowance of replacement of machinery, Deduction u/s 80IA, Disallowance of cost of acquisition while computing long term capital gain, disallowance of depreciation on windmills	131.36	2007-08	CIT(A), Coimbatore
15	Income Tax	Disallowance of replacement of machinery	15.37	2008-09	CIT(A), Coimbatore
16	TNGST Act	Levy of Penalty for Issue of C Forms	83.93	1998-99	High Court, Madras
17	Central Excise, Tamil Nadu	Capital goods moved without payment of duty and Dispute on input duty assessed	75.98	2003-04	Commissioner of Appeals, Coimbatore

10. There are accumulated losses and in the current financial year the company has incurred cash losses. However, there were no cash losses in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or to a bank. There are no debenture holders during the year.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of securities by way of pledge of shares and debentures.
13. In our opinion, the company is not a chit fund or a Nidhi / Mutual Benefit Fund / Society. Therefore the provisions of clause (xiii) of para 4 of the Order are not applicable.
14. According to the information and explanations given to us, the company is not dealing in or trading in any shares and securities and hence the provisions of Para (xiv) of the order are not applicable.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loan(s) have been applied for the purpose for which they were raised.



17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investments.
18. The company has not made any preferential allotment of shares during the year and hence the provisions of clause (xviii) of para 4 of this Order are not applicable.
19. The company has not issued any debentures during the year and hence the provisions of clause (xix) of para 4 of this Order are not applicable.
20. The company has not raised any money by way of public issues during the year and hence the provisions of clause (xx) of para 4 of this Order are not applicable.
21. During the course of our examination of the books of accounts carried on in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year nor have been informed of such case by the management.

For **Reddy, Goud & Janardhan**
Chartered Accountants
Registration No.003254S
Balakrishna S Bhat
Partner
Membership No.202976

Coimbatore
22nd May, 2012

5 Year Highlights

₹ Lakhs

Operating Results	2008	2009	2010	2011	2012
Sales and Other Income	40225	36971	38961	48378	39243
Operating Profit	4810	1855	4633	5856	(1264)
Finance Cost	1989	2902	2459	2293	3023
Gross Profit	2821	(1047)	2174	3563	(4287)
Depreciation	2449	2607	2352	2081	1900
Taxes	200	(911)	(210)	91	(1895)
Net Profit	172	(2743)	32	1391	(4292)
Dividend and Dividend Tax	97	-	-	-	-
Retained Profit	75	-	-	-	-
Performance Parameters					
Net Fixed Assets	21091	19449	16720	14304	11719
Share Capital	550	550	550	550	550
Reserves	11743	8571	8602	9993	5701
Net Worth	12293	9121	9152	10543	6251
Return on Net Worth(%)	1.40	(30.07)	0.35	13.19	(68.65)
Bank Borrowings	25777	24028	19761	20455	14198
Debt : Equity	2.1 : 1	2.6 : 1	2.16 : 1	1.94 : 1	2.27 : 1
Dividend (%)	15	-	-	-	-
Earnings per share (in ₹)	0.31	(4.99)	0.06	2.53	(7.80)



Balance Sheet as at 31st March 2012

Particulars	Note No.	₹ lakhs	
		31.03.2012	31.03.2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	550.00	550.00
(b) Reserves and surplus	4	5,701.08	9,992.76
2 Non-current liabilities			
(a) Long-term borrowings	5	1,775.83	3,695.08
(b) Deferred tax liabilities (Net)	6	-	1,273.14
3 Current liabilities			
(a) Short-term borrowings	7	10,572.67	13,938.91
(b) Trade payables	8	3,134.52	3,949.35
(c) Other current liabilities	9	3,675.00	5,107.52
(d) Short-term provisions	10	541.96	518.65
TOTAL		25,951.06	39,025.41
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	11.a	11,716.35	14,298.55
Intangible assets	11.b	2.52	4.97
(b) Non-current investments	12	2,824.37	2,824.37
(c) Deferred tax assets (Net)	6	978.09	-
2 Current assets			
(a) Inventories	13	3,626.51	14,095.68
(b) Trade receivables	14	3,510.48	3,607.32
(c) Cash and cash equivalents	15	268.29	497.36
(d) Short-term loans and advances	16	2,885.62	3,570.34
(e) Other current assets	17	138.83	126.82
TOTAL		25,951.06	39,025.41

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Reddy, Goud and Janardhan**
Chartered Accountants
Registration No.003254S
Balakrishna S Bhat
Partner, Membership No.202976

Coimbatore, 22nd May, 2012

A S Thirumoorthy
Chief Operating Officer & CFO

For and on behalf of the Board
Vidyaprakash D
Chairman

Sumanth Ramamurthi
Managing Director

Srikanth R
Company Secretary



Statement of Profit and Loss for the year ended 31st March 2012

Particulars	Note No.	₹ lakhs	
		31.03.2012	31.03.2011
I. Revenue from operations	18	37,795.32	47,776.37
II. Other income	19	1,447.62	601.83
III. Total Revenue		39,242.94	48,378.20
IV. Expenses:			
Cost of materials consumed	20.a	27,069.44	28,698.80
Purchases of Stock-in-Trade	20.b	1,401.00	1,050.00
Changes in inventories of Finished Goods / Work-in-progress and Stock-in-Trade	20.c	1,590.24	(1,263.79)
Employee benefits expense	21	3,693.95	4,073.19
Finance costs	22	3,022.89	2,292.78
Depreciation and amortization expense	11.c	1,900.19	2,081.22
Other expenses	23	6,752.17	9,964.03
Total expenses		45,429.88	46,896.23
V. Profit / (Loss) Before Tax		(6,186.94)	1,481.97
Tax expense:			
Current tax		0.60	2.00
Deferred tax		(2,251.23)	(20.52)
Adjustment for earlier years		355.37	109.96
VI. Profit / (Loss) After Tax		(4,291.68)	1,390.53
VII. Earnings per share:			
Basic and Diluted		(7.80)	2.53

See accompanying notes forming part of the financial statements

As per our report of even date attached
For **Reddy, Goud and Janardhan**
Chartered Accountants
Registration No.003254S
Balakrishna S Bhat
Partner, Membership No.202976

Coimbatore, 22nd May, 2012

A S Thirumoorthy
Chief Operating Officer & CFO

For and on behalf of the Board
Vidyaprakash D
Chairman

Sumanth Ramamurthi
Managing Director

Srikanth R
Company Secretary



Cash Flow Statement for the year ended 31st March 2012

	2011-12	₹ Lakhs 2010-11
A. Cash Flow from operating activities :		
Net Profit before tax and extraordinary items	(6186.94)	1481.96
Adjustment for :		
Depreciation	1900.19	2081.22
Taxes relating to earlier years	(355.37)	(109.96)
(Profit)/Loss on sale of assets	(1,374.26)	(515.99)
(Interest Income)	(73.36)	(53.29)
Interest Payments	2940.60	2230.05
Operating Profit before working capital changes	<u>(3149.14)</u>	<u>5,113.99</u>
Adjustments for :		
Trade receivables	96.84	(203.12)
Other receivables	1,945.85	(971.77)
Inventories	10,469.17	(8249.18)
Trade and other payables	(3497.18)	5504.71
Cash generated from operations	<u>5865.54</u>	<u>1,194.63</u>
Direct taxes paid	0.60	369.35
Net Cash Flow from operating activities (A)	<u>5864.94</u>	<u>825.29</u>
B Cash Flow from Investing activities :		
Purchase of fixed assets	(253.49)	(401.50)
Sale of fixed assets	2312.21	1188.98
Purchase of investments	-	(205.00)
Sale of investments	-	283.60
Interest received	73.36	53.29
Net cash used for investing activities (B)	<u>2132.08</u>	<u>919.37</u>
C Cash Flow from financing activities :		
Long term borrowings	(1,919.25)	(3,195.38)
Interest paid	(2940.60)	(2,230.05)
Working capital borrowings	(3436.21)	3,889.29
Unsecured loans & deposits	69.97	(1.26)
Net cash flow from financing activities (C)	<u>(8226.09)</u>	<u>(1,537.40)</u>
Net Increase / (Decrease) in cash and cash equivalent	<u>(229.07)</u>	<u>207.26</u>
Cash and cash equivalents - Opening	497.36	290.10
Cash and cash equivalents - Closing	268.29	497.36

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **Reddy, Goud and Janardhan**

Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner, Membership No.202976

Coimbatore, 22nd May, 2012

For and on behalf of the Board

Vidyaprakash D

Chairman

Sumanth Ramamurthi

Managing Director

A S Thirumoorthy

Chief Operating Officer & CFO

Srikanth R

Company Secretary



Notes forming part of the financial statements

1 Corporate Information

Super Spinning Mills Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacture and selling of cotton yarn and its shares are listed on the Bombay Stock Exchange and the National Stock Exchange. The company has manufacturing units in Tamil Nadu and Andhra Pradesh.

2 Significant Accounting Policies

2.1 Accounting Convention

The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

2.2 Fixed Assets

- a. Fixed assets are stated at historical cost of acquisition (Net of Cenvat credits) less accumulated depreciation / amortization and cumulative impairment, if any. Cost of acquisition includes freight, duties, taxes, installation, direct attributable costs, interest and commissioning.
- b. Capital Work in Progress projects under commissioning are carried forward at cost. Incidental expenditure in relation to projects under commissioning is carried forward till completion of project and comprises of direct cost, related incidental expenditure and attributable interest.

2.3 Depreciation

- a. Depreciation on Fixed assets (other than those referred to in (c) and (d) below) is charged on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956, on a pro-rata basis corresponding to the date of installation / commissioning.
- b. Fixed assets, other than intangible assets are depreciated to the extent of 95% of its gross value over the useful life of the asset.
- c. Assets costing Rs.5000 or less are fully depreciated in the year of purchase.
- d. ERP software is amortised over a period of five years, being the estimated useful life of the asset.

2.4 Investments

Long-term investments are stated at cost less provision, if any, for diminution in value which is

other than temporary. Current investments are stated at lower of cost and fair value.

2.5 Valuation of Inventories

Inventories of Raw Materials, Work-in Process, Finished goods, Stores and Spares are stated at lower of cost and net realisable value. Cost comprises all cost of purchase, cost of conversion and any other costs incurred in bringing the inventories to their present location and condition.

Cost formula used is weighted average. Due allowance is estimated and made for defective and obsolete items, whether necessary based on the past experience of the company.

2.6 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. Contingent liabilities are not recognised but are disclosed in the Notes forming part of financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

2.7 Recognition of Income and Expenditure

- a. The company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.
- b. Sales is accounted when the risk and reward of ownership are passed on to the customers.
- c. Domestic sales as reported in the statement of profit and loss are inclusive of excise duty, wherever applicable and exclusive of other taxes, if any, and trade discounts. Income from export entitlements is accounted as and when the certainty of entitlement is determined.
- d. Revenue from services rendered is recognised as the service is performed based on agreements /arrangements with the concerned parties.

2.8 Employee benefits / Retirement benefits of employees

- a. Gratuity benefits are administered by Trust formed for this purpose through the group scheme of Life Insurance Corporation of India. The provision of gratuity liability is actuarially determined at the year-end and the liability arising on such valuation is charged to the statement of profit and loss accordingly.



Notes forming part of the financial statements

- b. Provident fund contribution is as per the rates prescribed by the Employees' Provident Funds Act, 1952 and the same is charged to revenue.
- c. Superannuation fund contribution is paid according to company rules to the Life Insurance Corporation of India and charged to revenue.
- d. Voluntary Retirement Compensation is expended in the year of payment as per the Revised Accounting Standard AS 15.

2.9 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

2.10 Exchange Fluctuation

- a. All loans and deferred credits repayable in Foreign Currency and outstanding at the close of the year are expressed in indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Any increase or reduction in these liabilities, to the extent they relate to borrowings for financing imported capital assets have been capitalised as per Company Accounting Standards Amendment Rules, 2009 on AS 11 (G.S.R.225(E) dated 31.03.2009) issued by the Ministry of Company Affairs. In respect of revenue transactions covered by forward exchange contracts, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.
- b. Balances in the form of current assets and current liabilities in foreign exchange outstanding at the close of the year, are converted in indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is charged to the statement of profit and loss.
- c. All other income or expenditure in foreign currency is recorded at the rates of exchange prevailing on the dates when the relevant transactions took place.

2.11 Operating Lease

Assets taken on lease, under which, all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease.

Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.

2.12 Taxes on Income

Tax expense comprises of current tax and deferred tax. Current tax and Deferred tax are accounted for in accordance with Accounting Standards (AS 22) on "Accounting for Taxes on Income", issued by The Institute of Chartered Accountants of India. Current tax is measured at the amount expected to be paid to the tax authority using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at relevant enacted / substantially enacted tax rates. At each Balance Sheet date, the company reassesses unrealised deferred tax assets to the extent they become reasonably certain or virtually certain of realisation as the case may be.

2.13 Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed in current accounting period if there has been a change in the estimate of the recoverable amount.

2.14 Earnings Per Share

Basic and Diluted earning per share is calculated by dividing the net profit attributable to the equity shareholders by the number of equity shares outstanding during the year.

3 Share Capital

	₹ lakhs	
	31.03.2012	31.03.2011
Authorised		
10,00,00,000(10,00,00,000) Equity Shares of Re 1/ each	1,000.00	1,000.00
Issued, Subscribed & Fully Paid Up		
5,50,00,000(5,50,00,000) Equity Shares of Re 1/- each	550.00	550.00
Total	550.00	550.00



Notes forming part of the financial statements

3.1 There is no change in the number of shares outstanding at the beginning and at the end.

3.2 Shareholders holding more than 5% of shares

₹ Lakhs

Name of the Shareholders	31.03.2012		31.03.2011	
	No of Shares	% of Holding	No of Shares	% of Holding
Sumanth Ramamurthi	8,568,220	15.58	14,536,440	26.43
Nikhil Govind Ramamurthi	4,000,000	7.27	991,780	1.80
Sanjay Krishna Ramamurthi	4,000,000	7.27	990,000	1.80

4 Reserves and Surplus

31.03.2012 31.03.2011

a. Surplus in Statement of Profit and Loss

Opening Balance	(160.20)	(1,550.73)
Add: Amount Transferred	(4,291.68)	1,390.53
Closing Balance	(4,451.88)	(160.20)

b. Capital Reserve

Balance as per previous financial statement	48.19	48.19
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c. Securities Premium Reserve

Balance as per previous financial statement	1,487.50	1,487.50
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d. General Reserve

Balance as per previous financial statement	8,617.27	8,617.27
Total	5,701.08	9,992.76

5 Long-term Borrowings

Term Loans(Secured)

From Banks	1,775.83	3,507.58
From Others	-	187.50
Total	1,775.83	3,695.08

5.1 Repayment Schedule

Long-term Borrowings	Quarterly / Monthly Instalments	Rate of Interest (%)
Axis Bank Term Loan	2 - 36	8.25 - 14.75
Axis Bank Term Loan		
Axis Bank Term Loan		
ICICI TUFs Loan		
State Bank of Hyderabad Term Loan		
Life Insurance Corporation of India Working Capital Loan		

5.2 Details of security for Long-term Borrowings

The term loans from banks and financial institutions are secured by:

- Pari-passu first charge on specific Moveable and Immoveable properties of the Company.
- Second charge on current assets of the Company.



Notes forming part of the financial statements

6 Deferred Tax Liabilities / (Assets) ₹ Lakhs

Particulars	Balance as of 31.03.2011	Charge / Credit	Balance as of 31.03.2012
Depreciation	1704.70	(240.12)	1464.58
Loss	(111.56)	(2078.07)	(2189.63)
Others	(320.00)	66.96	(253.04)
Total - Liability / (Asset)	1273.14	(2251.23)	(978.09)

7 Short-term Borrowings	31.03.2012	31.03.2011
Loans repayable on demand		
From Banks	10,502.70	13,938.91
From Directors	69.97	-
Total	<u>10,572.67</u>	<u>13,938.91</u>

7.1 Working Capital loans are secured by:

- First charge by way of Hypothecation of Inventories, Book Debts and other current assets of the Company.
- Second charge on specific Moveable and Immoveable properties of the Company.

8 Trade Payables

The company has initiated the process of obtaining confirmation from suppliers who are covered under the "Micro, Small and Medium Enterprises Development Act, 2006". Based on the information and evidence available with the company, there are no dues to Micro, Small and Medium Enterprises, outstanding as on 31.03.2012.

9 Other Current Liabilities	31.03.2012	31.03.2011
Current Maturities of Long Term Debts	1,919.26	2,821.29
Interest Accrued but not due	24.58	34.34
Unpaid Dividends	15.02	16.20
Liabilities for expenses	1,056.18	1,916.41
Employee Benefits Payable	135.08	113.37
Advance for Capital items	100.01	-
Advance from Customers	216.08	55.22
Security Deposits	35.53	36.54
Others	173.26	114.15
Total	<u>3,675.00</u>	<u>5,107.52</u>
10 Short-term Provisions		
For Bonus	166.59	184.16
For Gratuity	375.37	334.49
Total	<u>541.96</u>	<u>518.65</u>



Notes forming part of the financial statements

11 Fixed Assets

₹ lakhs

SI No	Particulars	Gross Block				Depreciation				Net Block	
		As at 01.04.11	Additions	Disposals	As at 31.03.12	As at 01.04.11	For the year	Disposals	As at 31.03.12	As at 31.03.12	As at 31.03.11
11.a	Tangible Assets										
	Land	654.86	6.23	35.19	625.90	-	-	-	-	625.90	654.86
	Buildings	6,495.81	35.57	969.96	5,561.42	1,416.96	184.60	187.02	1,414.54	4,146.88	5,078.85
	Plant and Equipment	33,236.20	210.18	395.37	33,051.01	24,891.96	1,684.53	322.13	26,254.36	6,796.65	8,344.24
	Furniture & Fixtures	284.33	1.51	67.45	218.39	140.72	12.01	23.88	128.85	89.54	143.61
	Vehicles	250.18	-	15.01	235.17	173.19	16.60	12.00	177.79	57.38	76.99
	Total	40,921.38	253.49	1,482.98	39,691.89	26,622.83	1,897.74	545.03	27,975.54	11,716.35	14,298.55
11.b	Intangible Assets										
	Computer software	296.32	-	-	296.32	291.35	2.45	-	293.80	2.52	4.97
	Total	296.32	-	-	296.32	291.35	2.45	-	293.80	2.52	4.97

11.c Depreciation and Amortisation for the year on	31.03.2012	30.03.2011
Tangible Assets as per Note 11.a	1,897.74	2,068.98
Intangible Assets as per Note 11.b	2.45	12.24
Total	1,900.19	2,081.22

12 Non-current Investments

Investments in Subsidiaries in Preference Shares

Non-Trade Unquoted (At Cost)

Elgi Building Products Ltd

70,00,000 (70,00,000) 10% 8 years Non-cumulative redeemable shares of ₹ 10 each fully paid **700.00** 700.00

Elgi Building Products Ltd

5,00,000 (5,00,000) 10% 8 years Cumulative redeemable shares of ₹ 10 each fully paid **50.00** 50.00

Investments in Subsidiaries in Equity Shares

Non-Trade Unquoted (At Cost)

Elgi Building Products Ltd

29,99,592 (29,99,592) shares of ₹ 10 each fully paid **299.96** 299.96

Sara Elgi Arteriors Ltd

15,00,000 (15,00,000) shares of ₹ 10 each fully paid **150.00** 150.00

Sara Elgi Arteriors Ltd

10,00,000 (10,00,000) shares of ₹ 10 each fully paid **200.00** 200.00

Investments in Equity Shares

Trade Unquoted (At Cost)

Andhra Pradesh Gas Power Corporation Ltd

9,38,000 (9,38,000) shares of ₹ 10 each fully paid **1,293.02** 1,293.02



Notes forming part of the financial statements

Non-Current Investments (Contd..)	31.03.2012	₹ Lakhs 31.03.2011
MMS Steel and Power Ltd 2,03,938 (2,03,938) shares of ₹ 10 each fully paid	20.39	20.39
Non-Trade Unquoted (At Cost)		
Elgi Electric and Industries Ltd 8,60,000 (8,60,000) shares of ₹ 10 each fully paid	86.00	86.00
Sara Elgi Industries Ltd. 2,50,000 (2,50,000) shares of ₹ 10 each fully paid	25.00	25.00
Aggregate value of unquoted investments (At Cost)	<u>2,824.37</u>	<u>2,824.37</u>
Fair value - ₹ 2824.37 lakhs (Previous year - ₹ 2824.37 lakhs)		
13 Inventories		
Valued at Cost or Net Realisable value whichever is lower		
Raw Materials	1,862.79	10,721.45
Work in Process	839.50	1,150.89
Finished Goods	508.55	1,787.40
Stores and Spares	320.00	310.22
Waste	95.67	125.72
Total	<u>3,626.51</u>	<u>14,095.68</u>
14 Trade Receivables		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	99.17	54.93
Others	3,411.31	3,552.39
Total	<u>3,510.48</u>	<u>3,607.32</u>
15 Cash and Cash Equivalents		
Balance with Banks	246.30	476.59
Cash on Hand	6.97	4.57
Unpaid Dividend	15.02	16.20
Total	<u>268.29</u>	<u>497.36</u>
16 Short-term Loans and Advances		
Unsecured, considered good		
Loans and Advances	909.48	1,027.23
Prepaid Expenses	86.11	56.04
Employee Related Advances	49.67	49.69
Advance Payment of Taxes	1,006.67	1,608.31
Deposit with Excise and Customs Authorities	273.52	263.68
Other Deposits	560.17	565.39
Total	<u>2,885.62</u>	<u>3,570.34</u>
17 Other Current Assets		
Interest Accrued	50.53	100.42
Income Accrued	88.30	26.40
Total	<u>138.83</u>	<u>126.82</u>



Notes forming part of the financial statements

		₹ Lakhs
18 Revenue from Operations	31.03.2012	31.03.2011
Sale of products	37,770.29	47,690.69
Other operating revenues	25.65	86.65
Less: Excise duty	(0.62)	(0.97)
Total	<u>37,795.32</u>	<u>47,776.37</u>
19 Other Income		
Interest Income(Refer Note 19.1 below)	73.36	53.29
Other Non-operating Income(Refer Note 19.2 below)	1,374.26	548.54
Total	<u>1,447.62</u>	<u>601.83</u>
19.1 Interest Income		
Interest on Electricity Deposits	27.54	29.14
Interest on IT refunds	37.47	9.91
Other Interest Receipts	8.35	14.25
Total	<u>73.36</u>	<u>53.29</u>
19.2 Other Non-operating Income		
Insurance Claim Receipts	93.40	4.54
Rent Receipts	21.22	28.01
Profit on sale of assets	1,328.53	563.60
Loss on sale of assets	(68.89)	(47.61)
Total	<u>1,374.26</u>	<u>548.54</u>
20.a Cost of Materials Consumed		
Opening Stock of Cotton	10,721.45	3,797.67
Add: Purchase of Cotton	18,210.78	35,622.58
Less: Closing Stock of Cotton	1,862.79	10,721.45
Total	<u>27,069.44</u>	<u>28,698.80</u>
20.b Purchase of Traded goods		
Cotton Yarn	1,401.00	1,050.00
20.c Change in Inventories of Finished goods, Work-in Process & Stock in Trade		
Inventories at the end of the year		
Finished goods	508.55	1,787.40
Work-in Progress	839.50	1,150.89
Stock in Trade	-	-
Total	<u>1,348.05</u>	<u>2,938.29</u>
Inventories at the beginning of the year		
Finished goods	1,787.40	462.57
Work-in Progress	1,150.89	1,211.93
Stock in Trade	-	-
Total	<u>2,938.29</u>	<u>1,674.50</u>
Net (Increase) / Decrease	<u>1,590.24</u>	<u>(1,263.79)</u>



Notes forming part of the financial statements

		₹ Lakhs
21 Employee Benefit Expenses	31.03.2012	31.03.2011
Salaries	3,063.83	3,424.14
Contributions to		
- Provident Funds	162.48	146.88
- Super Annuation Funds	8.59	2.22
Gratuity Fund Contributions	65.88	139.63
Welfare Expenses	393.17	360.32
Total	<u>3,693.95</u>	<u>4,073.19</u>
22 Finance Cost		
Interest on Borrowings	2,940.60	2,230.06
Other Borrowing Cost	82.29	62.72
Total	<u>3,022.89</u>	<u>2,292.78</u>
23 Other Expenses		
Stores	1668.01	2119.71
Repairs and Maintenance	556.80	894.77
Processing Charges	235.32	349.20
Power and Fuel	2724.75	4467.41
Selling Expenses	1048.46	1552.33
Rent	3.18	4.28
Insurance	47.80	46.92
Postage, Telephone and Printing	31.56	39.03
Travelling and Transport charges	105.07	141.24
Bank charges	40.75	77.98
Taxes and Licence	62.35	77.40
Professional charges	77.52	66.51
Auditors' Remuneration	6.05	5.85
Directors' Sitting fees	3.11	3.36
Others	141.44	118.04
Total	<u>6,752.17</u>	<u>9,964.03</u>
23.1 Auditors' Remuneration:		
As Auditor	4.50	4.50
For other services	1.55	1.35
Total	<u>6.05</u>	<u>5.85</u>
24 Additional Information to the Financial Statements		
24.1 Estimated amount of contracts remaining to be executed on capital account and not provided for	752.83	877.80



Notes forming part of the financial statements

		₹ Lakhs
24.2 Contingent Liabilities:	31.03.2012	31.03.2011
Letters of Credit	1,715.28	2,310.30
Bank Guarantees	6.00	6.00
Bills discounted with company's bankers	738.11	2,886.91
Disputed demands from Income tax authorities	1,757.62	3,058.64
Disputed Excise duty liability	75.98	287.57
Disputed Sales tax liability	83.93	83.93
Corporate Guarantee to bank on behalf of subsidiary	270.00	270.00
24.3 Earnings in Foreign Exchange:		
Export of Goods(FOB value)	5,760.76	8,945.76
24.4 Expenditure in Foreign Exchange:		
Foreign Travel	3.70	2.82
Commission	115.99	424.00
Others	106.11	201.45
CIF value of imports		
- Raw Materials	508.68	326.76
- Components and Spares	302.96	345.26
- Capital Goods	-	29.38
Total	<u>1,037.44</u>	<u>1,329.67</u>

24.5 Details of Derivative instruments hedged and outstanding as at year end:

Particulars	FCY		Value	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Forward Cover				
- Export(USD)	702,875	-	360.49	-
- Import(USD)	526,013	-	270.49	-

24.6 Details of Foreign currency exposures that are not hedged by a derivative instrument or otherwise as at year-end.

Particulars	FCY		Value	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Sundry Creditors				
- Raw Materials(USD)	151,520	-	77.29	-
- Raw Materials(EUR)	24,636	-	16.77	-
- Raw Materials(CHF)	21,388	54,384	12.09	26.80
ECB Loan(USD)	-	1,675,978	-	747.49



Notes forming part of the financial statements

24.7 Earnings per Share:

The following reflects the income and share data used in the computation of Basic Earnings per share	31.03.2012	₹ Lakhs 31.03.2011
Amount used as Numerator		
Net Profit attributable to the ordinary shareholders for Basic and Diluted Earnings per Share	(4291.68)	1,390.53
No. of ordinary shares used as denominator applicable	550.00	550.00
Nominal value per share	1.00	1.00
Basic and Diluted Earnings per share - Face value of Re.1 per share	(7.80)	2.53

24.8 Details of employee benefits as required by the Accounting Standard 15(Revised) are as under:

- a) Description of the company's defined plan: The company operates a defined plan for payment of post employment benefits in the form of gratuity.

Benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided in the Payment of

Gratuity Act, 1972. The terms of benefit are common for all the employees of the company.

- b) Reconciliation in respect of the changes in the present value of the obligation:

Particulars	31.03.2012	31.03.2011
Present value of the Obligation as on 1st April	717.23	685.95
Current Service Cost	32.58	32.38
Interest Cost	58.48	51.10
Actuarial Gains and Losses	11.52	83.31
Post Service tax	-	5.05
Benefits Paid	(25.19)	(140.57)
Present value of the Obligation as on 31st March	794.62	717.22

The liability of the company as of 31st of March 2012 has been funded to the extent of ₹ 419.26 lakhs.

- c) Reconciliation in respect of the changes in the Fair Market Value of the Plan Assets:

Particulars	31.03.2012	31.03.2011
Fair value of the Plan Assets as on 1st April	382.74	341.10
Expected Rate of Return	35.39	31.99
Actuarial Gains and Losses	1.32	0.22
Contributions by the Employer	25.00	150.00
Benefits paid	(25.19)	(140.57)
Fair value of the Plan Assets as on 31st March	419.26	382.74

No reimbursement rights were available at the beginning or end of the year for recognition as an asset.



Notes forming part of the financial statements

- d) The total expenses recognised in the Statement of Profit and Loss is as follows:

Particulars	31.03.2012	31.03.2011
Current Service Cost	32.58	32.38
Interest Cost	58.49	51.10
Expected Return on Plan Assets	(35.39)	(31.99)
Post Service tax	-	5.05
Actuarial Gains and Losses	10.20	83.10
Amount recognised in the Statement of Profit and Loss	65.88	139.64

The expenses has been included under the head "Gratuity Fund Contribution" under the "Employee Benefit Expenses" in the statement of profit and loss.

- e) Investment Details: LIC Group Gratuity(Cash Accumulation) Policy - 100% invested in Debt instruments.
f) Principal Actuarial Assumptions used at the Balance Sheet date is as follows:

Particulars	31.03.2012	31.03.2011
Discount Rate	8.70%	8.30%
Expected Rate of Return on Plan Assets	9.30%	9.25%
Attrition Rate	2.00%	2.00%
Rate of escalation in salary(per annum)	5.00%	5.00%

The estimates of rates of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

- g) Reconciliation of Fair Value of Plan Assets and Obligations:

Particulars	31.03.2012	31.03.2011
Present value of the Defined Benefit Obligation	794.62	717.22
Fair value of Plan Assets	419.26	382.74
Deficit in Plan Assets	375.36	334.48
Experience Adjustments arising on Plan Liabilities as an amount	(37.64)	(83.10)
Experience Adjustments arising on Plan Assets as an amount	1.32	0.22

24.9 Disclosure as per Clause 32 as per Listing agreement with Stock Exchange

- a. Loans and advances in the nature of loans given to subsidiary - Sara Elgi Arteriors Ltd

As at 31.03.2012 ₹ 83.34 lakhs

As at 31.03.2011 ₹ 75 lakhs

Maximum balance during the year ₹ 83.34 lakhs

b. Investment by Sara Elgi Arteriors Ltd in	No of shares	Value in ₹ lakhs
Parent : Super Spinning Mills Ltd	Nil	Nil
Subsidiary : Elgi Building Products Ltd	4,196,408	293.75



Notes forming part of the financial statements

24.10 Related Party Disclosure(as certified by the Management)

(i) Names of Related parties and description of relationship

a) Key Management Personnel	Vidyaprakash D, Chairman Sumanth Ramamurthi, Managing Director
b) Subsidiaries	Sara Elgi Arteriors Ltd Elgi Building Products Ltd
c) Others	Super Sara Textiles Ltd Super Farm Products Ltd Sara Elgi Insurance Advisory Services Pvt Ltd Sara Trading and Industrial Services Ltd Coimbatore Pioneer Fertilisers Ltd
Elgi Electric and Industries Ltd	
Sara Elgi Industries Ltd	
Kakatiya Textiles Ltd	
Sara Elgi Envirotech Ltd	
Sara Elgi Industrial Research and Development Ltd	
Prashanth Textiles Ltd	

(ii) Related Party Transactions

₹ lakhs

Nature of Transaction	Subsidiary		Others		Key Mgmt Personnel		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Purchase of goods	0.02	2.82	1612.28	2119.82	-	-	1612.30	2122.64
Sales and Service	0.02	-	638.28	1404.46	-	-	638.30	1404.46
Sale of fixed assets	-	-	2.86	10.24	-	-	2.86	10.24
Purchase of fixed assets	-	0.31	3.12	-	-	-	3.12	0.31
Managerial Remuneration	-	-	-	-	46.44	108.07	46.44	108.07
Service charges paid	-	-	0.70	-	-	-	0.70	-
Rent received	7.80	7.80	12.15	4.66	-	-	19.95	12.46
Rent paid	-	-	3.18	3.18	-	-	3.18	3.18
Interest Received	8.34	-	-	-	-	-	8.34	-
Other Receipts	0.12	-	-	-	-	-	0.12	-
Interest Paid	-	-	20.37	-	2.74	-	23.11	-
Loan Received	-	-	-	-	67.50	-	67.50	-
Amount outstanding at year end - Dr	444.30	575.05	1455.38	1413.63	69.97	-	1969.65	1988.68
Amount outstanding at year end - Cr	-	0.26	0.17	34.68	-	-	0.17	34.94

24.11 The company operates in one primary segment. Viz Textiles.



Notes forming part of the financial statements

24.12 The revised Schedule VI has become effective from 1st April 2011, for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous years figures have been regrouped and reclassified, wherever necessary, to correspond with the current years classification / disclosure.

As per our report of even date attached

For **Reddy, Goud and Janardhan**

Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner, Membership No.202976

Coimbatore, 22nd May, 2012

A S Thirumoorthy

Chief Operating Officer & CFO

For and on behalf of the Board

Vidyaprakash D

Chairman

Sumanth Ramamurthi

Managing Director

Srikanth R

Company Secretary



Statement Pursuant to Section 212 of the Companies Act, 1956

1	Name of the Company	Sara Elgi Arteriors Ltd	Elgi Building Products Ltd
2	Financial year ending	31st March 2012	31st March 2012
3	No. of shares (fully paid up) held by the company on the above dates	25,00,000 equity shares of ₹ 10 each	71,96,000 equity shares of ₹ 10 each
4	Extent of Holding company's interest	100.00%	41.68%
5	Net aggregate amount of subsidiary's Profit / Losses		
	a) not dealt with in the accounts of the company		
	i) for the year ended 31st March 2012	₹ 31.72 lakhs	₹ 2.58 lakhs
	ii) for the previous financial year	₹ 80.53 lakhs	₹ 110.69 lakhs
	b) dealt with in the accounts of the company		
	i) for the year ended 31st March 2012	Nil	Nil
	ii) for the previous financial year	Nil	Nil

Note:

- Changes in the interest of the Holding company between the end of the subsidiary's financial year and holding company's financial year - Nil
- Material changes between the end of the subsidiary's financial year and holding company's financial year - Nil

Disclosure of Information relating to the subsidiary companies as required by the Ministry of Corporate Affairs, Government of India vide their Circular no:02/2011 dated 08.02.2011

₹ lakhs

SI No	Particulars	Sara Elgi Arteriors Limited	Elgi Building Products Limited
a.	Share Capital	250.00	1469.60
b.	Reserves	325.25	-722.12
c.	Total Assets	1020.57	1170.13
d.	Total Liabilities	1020.57	1170.13
e.	Details of Investments	293.75	-
f.	Total Income	861.64	609.38
g.	Profit / (Loss) before Tax	46.63	6.82
h.	Provision for Taxation	14.91	4.24
i.	Profit / (Loss) after Tax	31.72	2.58
j.	Proposed Dividend	-	-

For and on behalf of the Board

As per our report of even date attached

For **Reddy, Goud and Janardhan**

Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner, Membership No.202976

Vidyaprakash D

Chairman

Sumanth Ramamurthi

Managing Director

A S Thirumoorthy

Chief Operating Officer & CFO

Srikanth R

Company Secretary

Coimbatore, 22nd May, 2012



Auditors Report on Consolidated Financial Statements

Auditors Report to the Board of Directors of Super Spinning Mills Limited on the Consolidated Financial Statements

We have examined the attached Consolidated Balance Sheet of Super Spinning Mills Limited ("the Company") and its subsidiaries as at 31st March, 2012, and the Consolidated statement of Profit and Loss for the year ended on that date annexed thereto, and the Consolidated Cash flow Statement for the period ended on that date. These Consolidated financial statements are the responsibility of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material aspects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidences supporting the amounts and disclosures in financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, issued by the institute of Chartered Accountants of India and on the

basis of the separate audited Financial Statements of the Company and its subsidiaries.

On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual financial statements of the Company and audited financial statements, as the case may be, of its subsidiaries, in our opinion, the consolidated financial statements read together with the attached financial statements notes forming part of the consolidated accounts, give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Company and its subsidiaries as at 31st March 2012 ;
- b) In the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date ; and
- c) In the case of the Consolidated Cash Flow Statements, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

For **Reddy, Goud & Janardhan**

Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner

Coimbatore



Consolidated Balance Sheet as at 31st March 2012

Particulars	Note No.	₹ lakhs	
		31.03.2012	31.03.2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	550.00	550.00
(b) Reserves and surplus	4	5,780.84	10,188.47
2 Non-current liabilities			
(a) Long-term borrowings	5	1,775.83	3,695.08
(b) Deferred tax Liabilities (net)	6	-	1,050.48
3 Current liabilities			
(a) Short-term borrowings	7	10712.44	14,234.20
(b) Trade payables	8	3532.47	5,378.24
(c) Other current liabilities	9	3790.85	4,757.44
(d) Short-term provisions	10	666.61	518.65
TOTAL		26,809.04	40,372.56
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	11.a	12471.68	15,084.91
Intangible assets	11.b	453.26	605.95
(b) Non-current investments	12	1424.41	1,424.41
(c) Deferred tax assets (net)	6	1195.75	-
2 Current assets			
(a) Inventories	13	3771.87	14,295.44
(b) Trade receivables	14	4105.33	4,373.76
(c) Cash and cash equivalents	15	272.53	561.75
(d) Short-term loans and advances	16	2975.38	3,899.52
(e) Other current assets	17	138.83	126.82
TOTAL		26,809.04	40,372.56

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
 For **Reddy, Goud and Janardhan**
 Chartered Accountants
 Registration No.003254S
Balakrishna S Bhat
 Partner, Membership No.202976

For and on behalf of the Board
Vidyaprakash D
 Chairman

Sumanth Ramamurthi
 Managing Director

A S Thirumoorthy
 Chief Operating Officer & CFO

Srikanth R
 Company Secretary

Coimbatore, 22nd May, 2012



Consolidated Statement of Profit and Loss for the year ended 31st March 2012

Particulars	Note No.	₹ lakhs	
		31.03.2012	31.03.2011
I. Revenue from operations	18	38895.14	48731.47
II. Other income	19	1457.55	613.29
III. Total Revenue		<u>40352.69</u>	<u>49344.76</u>
IV. Expenses:			
Cost of materials consumed	20.a	27639.73	29335.29
Purchases of Stock-in-Trade	20.b	1434.25	1077.61
Changes in inventories of Finished Goods / Work-in-progress and Stock-in-Trade	20.c	1670.73	(1,323.26)
Employee benefits expense	21	3806.87	4166.02
Finance costs	22	3071.19	2319.95
Depreciation and amortization expense	11.c	2089.69	2088.09
Other expenses	23	6923.97	10067.57
Total expenses		<u>46636.43</u>	<u>47731.27</u>
V. Profit / (Loss) Before Tax		(6283.74)	1613.49
Tax expense:			
Current tax		14.75	49.54
Deferred tax		(2246.23)	(21.40)
Adjustment for earlier years		355.37	114.95
VI. Profit (Loss) After Tax		<u>(4407.63)</u>	<u>1470.40</u>
VII. Earnings per share:			
Basic and Diluted		(8.01)	2.67

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

For **Reddy, Goud and Janardhan**

Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner, Membership No.202976

Coimbatore, 22nd May, 2012

For and on behalf of the Board

Vidyaprakash D

Chairman

Sumanth Ramamurthi

Managing Director

Srikanth R

Company Secretary

A S Thirumoorthy

Chief Operating Officer & CFO



Consolidated Cash Flow Statement for the year ended 31st March, 2012

	2011-12	2010-11
		₹ Lakhs
A. Cash Flow from operating activities :		
Net Profit before tax and extraordinary items	(6,283.74)	1613.49
Adjustment for :		
Depreciation	2,089.69	2,088.09
Prior year Income / (Expenses)	-	(1.99)
Taxes relating to earlier years	(355.37)	(114.95)
(Profit)/Loss on sale of assets	(1,260.03)	(515.99)
(Profit)/Loss on sale of investments	-	-
Insurance Claim	-	-
Miscellaneous Receipts	-	-
(Dividend Income)	-	-
(Interest Income)	(77.69)	(56.77)
Interest Payments	2,987.37	2,269.54
Operating Profit before working capital changes	<u>(2,899.77)</u>	<u>5,281.42</u>
Adjustments for :		
Trade receivables	268.43	(134.58)
Other receivables	1,963.66	(878.36)
Inventories	10,523.57	(8,324.46)
Trade payables	(3715.74)	5,169.63
Cash generated from operations	<u>6,140.15</u>	<u>1,113.65</u>
Voluntary Retirement Compensation		
Direct taxes paid	14.75	416.89
Net Cash Flow from operating activities	<u>6,125.40</u>	<u>696.76</u>
B Cash Flow from Investing activities :		
Purchase of fixed assets	(274.58)	(242.21)
Sale of fixed assets	2,210.65	1,189.29
Purchase of investments	-	(498.75)
Sale of investments	-	283.60
Dividend received	-	-
Interest received	77.69	56.77
Net cash used for investing activities	<u>2,013.76</u>	<u>788.70</u>



	2011-12	2010-11
		₹ Lakhs
C Cash Flow from financing activities :		
Long term borrowings	(1,919.25)	(3,195.29)
Interest paid	(2,987.37)	(2,269.54)
Share Capital	-	200.00
Working capital borrowings	(3,591.73)	3,930.15
Unsecured loans & deposits	69.97	73.43
Dividends and Tax on Dividend paid	-	-
Net cash flow from financing activities	(8428.38)	(1261.25)
Net Increase / (Decrease) in cash and cash equivalent	(289.22)	224.21
Cash and cash equivalents - Opening	561.75	337.54
Cash and cash equivalents - Closing	272.53	561.75

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

For **Reddy, Goud and Janardhan**

Chartered Accountants

Registration No.003254S

Balakrishna S Bhat

Partner, Membership No.202976

Coimbatore, 22nd May, 2012

A S Thirumoorthy

Chief Operating Officer & CFO

For and on behalf of the Board

Vidyaprakash D

Chairman

Sumanth Ramamurthi

Managing Director

Srikanth R

Company Secretary



Notes forming part of the Consolidated financial statements

1 Corporate Information

Super Spinning Mills Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacture and selling of cotton yarn and its shares are listed on the Bombay Stock Exchange and the National Stock Exchange. The company has manufacturing units in Tamil Nadu and Andhra Pradesh.

2 Significant Accounting Policies

2.1 Accounting Convention

The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

2.2 Fixed Assets

- a. Fixed assets are stated at historical cost of acquisition (Net of Cenvat credits) less accumulated depreciation / amortization and cumulative impairment, if any. Cost of acquisition includes freight, duties, taxes, installation, direct attributable costs, interest and commissioning.
- b. Capital Work in Progress projects under commissioning are carried forward at cost. Incidental expenditure in relation to projects under commissioning is carried forward till completion of project and comprises of direct cost, related incidental expenditure and attributable interest.

2.3 Depreciation

- a. Depreciation on Fixed assets (other than those referred to in (c) and (d) below) is charged on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956, on a pro-rata basis corresponding to the date of installation / commissioning.
- b. Fixed assets, other than intangible assets are depreciated to the extent of 95% of its gross value over the useful life of the asset.
- c. Assets costing Rs.5000 or less are fully depreciated in the year of purchase.
- d. ERP software is amortised over a period of five years, being the estimated useful life of the asset.

2.4 Investments

Long-term investments are stated at cost less provision, if any, for diminution in value which is other

than temporary. Current investments are stated at lower of cost and fair value. The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as goodwill or capital reserve, as the case may be. Goodwill arising out of acquisition of equity stake in a subsidiary, is amortised over a period of five years.

2.5 Valuation of Inventories

Inventories of Raw Materials, Work-in Process, Finished goods, Stores and Spares are stated at lower of cost and net realisable value. Cost comprises all cost of purchase, cost of conversion and any other costs incurred in bringing the inventories to their present location and condition. Cost formula used is weighted average. Due allowance is estimated and made for defective and obsolete items, wherever necessary based on the past experience of the company.

2.6 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. Contingent liabilities are not recognised but are disclosed in the Notes forming part of financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

2.7 Recognition of Income and Expenditure

- a. The company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.
- b. Sales is accounted when the risk and reward of ownership are passed on to the customers.
- c. Domestic sales as reported in the statement of profit and loss are inclusive of excise duty, wherever applicable and exclusive of other taxes, if any, and trade discounts. Income from export entitlements is accounted as and when the certainty of entitlement is determined.
- d. Revenue from services rendered is recognised as the service is performed based on agreements /arrangements with the concerned parties.



Notes forming part of the Consolidated financial statements

2.8 Employee benefits / Retirement benefits of employees

- a. Gratuity benefits are administered by Trust formed for this purpose through the group scheme of Life Insurance Corporation of India. The provision for gratuity liability is actuarially determined at the year-end and the liability arising on such valuation is charged to the statement of profit and loss accordingly.
- b. Provident fund contribution is as per the rates prescribed by the Employees' Provident Funds Act, 1952 and the same is charged to revenue.
- c. Superannuation fund contribution is paid according to company rules to the Life Insurance Corporation of India and charged to revenue.
- d. Voluntary Retirement Compensation is expended in the year of payment as per the Revised Accounting Standard AS 15.

2.9 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

2.10 Exchange Fluctuation

- a. All loans and deferred credits repayable in Foreign Currency and outstanding at the close of the year are expressed in indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Any increase or reduction in these liabilities, to the extent they relate to borrowings for financing imported capital assets have been capitalised as per Company Accounting Standards Amendment Rules, 2009 on AS 11 (G.S.R.225(E) dated 31.03.2009) issued by the Ministry of Company Affairs. In respect of revenue transactions covered by forward exchange contracts, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.
- b. Balances in the form of current assets and current liabilities in foreign exchange outstanding at the close of the year, are converted in indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is charged to the statement of profit and loss.

- c. All other income or expenditure in foreign currency is recorded at the rates of exchange prevailing on the dates when the relevant transactions took place.

2.11 Operating Lease

Assets taken on lease, under which, all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on accrual basis in accordance with the respective lease agreements.

2.12 Taxes on Income

Tax expense comprises of current tax and deferred. Current tax and Deferred tax are accounted for in accordance with Accounting Standards (AS 22) on "Accounting for Taxes on Income", issued by The Institute of Chartered Accountants of India. Current tax is measured at the amount expected to be paid to the tax authority using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at relevant enacted / substantially enacted tax rates. At each Balance Sheet date, the company reassesses unrealised deferred tax assets to the extent they become reasonably certain or virtually certain of realisation as the case may be.

2.13 Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors.

An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed in current accounting periods if there has been a change in the estimate of the recoverable amount.

2.14 Earnings Per Share

Basic and Diluted earnings per share is calculated by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.



Notes forming part of the Consolidated financial statements

		₹ lakhs
3 Share Capital	31.03.2012	31.03.2011
Authorised		
10,00,00,000(10,00,00,000) Equity Shares of Re 1/ each	1,000.00	1,000.00
Issued, Subscribed & Fully Paid Up		
5,50,00,000(5,50,00,000) Equity Shares of Re 1/- each	550.00	550.00
Total	550.00	550.00

3.1 There is no change in the number of shares outstanding at the beginning and at the end.

3.2 Shareholders holding more than 5% of shares

Name of the Shareholders	31.03.2012		31.03.2011	
	No of Shares	% of Holding	No of Shares	% of Holding
Sumanth Ramamurthi	8,568,220	15.58	14,536,440	26.43
Nikhil Govind Ramamurthi	4,000,000	7.27	991,780	1.80
Sanjay Krishna Ramamurthi	4,000,000	7.27	990,000	1.80

		₹ lakhs
4 Reserves & Surplus	31.03.2012	31.03.2011
a. Surplus in Statement of Profit and Loss		
Opening Balance	19.65	(1,442.70)
Add: Amount Transferred	(4,407.63)	1,462.35
Closing Balance	(4,387.98)	19.65
b. Capital Reserve		
Balance as per previous financial statement	51.02	51.02
c. Securities Premium Reserve		
Balance as per previous financial statement	1,487.50	1,487.50
d. General Reserve		
Opening Balance	8,630.30	8,622.25
Add: Amount Transferred	-	8.05
Closing Balance	8,630.30	8,630.30
Total	5,780.84	10,188.47
5 Long-term Borrowings		
Term Loans(Secured)		
From Banks	1,775.83	3,507.58
From Others	-	187.50
Total	1,775.83	3,695.08



Notes forming part of the Consolidated financial statements

5.1 Repayment Schedule

Long Term Borrowings	Quarterly / Monthly Instalments	Rate of Interest (%)
Axis Bank Term Loan	2 - 36	8.25 - 14.75
Axis Bank Term Loan		
Axis Bank Term Loan		
ICICI TUFS Loan		
State Bank of Hyderabad Term Loan		
Life Insurance Corporation of India Working Capital Loan		

5.2 Details of security for Long-term Borrowings

The term loans from banks and financial institutions are secured by:

1. Pari-passu first charge on specific Moveable and Immoveable properties of the Company.
2. Second charge on current assets of the Company.

6 Deferred Tax Liabilities / (Assets)

Particulars	Balance as of 31.03.2011	Charge / Credit	Balance as of 31.03.2012
Depreciation	1,482.04	(104.67)	1,586.71
Loss	(111.56)	2,418.63	(2,530.19)
Others	(320.00)	(67.73)	(252.27)
Total - Liability / (Asset)	1,050.48	2,246.23	(1,195.75)

7 Short-term Borrowings

	31.03.2012	31.03.2011
Loans repayable on demand		
From Banks	10,642.47	14,234.20
From Corporates and Directors	69.97	-
Total	10,712.44	14,234.20

₹ lakhs

7.1 Working Capital loans are secured by:

1. First charge by way of Hypothecation of Inventories, Book Debts and other current assets of the Company.
2. Second charge on specific Moveable and Immoveable properties of the Company.

8 Trade Payables

The company has initiated the process of obtaining confirmation from suppliers who are covered under the "Micro, Small and Medium Enterprises Development Act, 2006". Based on the information and evidence available with the company, there are no dues to Micro, Small and Medium Enterprises, outstanding as on 31.03.2012.



Notes forming part of the Consolidated financial statements

		₹ lakhs
9 Other Current Liabilities	31.03.2012	31.03.2011
Current Maturities of Long Term Debts	1,919.26	2,821.29
Interest Accrued but not due	24.58	34.34
Unpaid Dividends	15.02	16.20
Liabilities for expenses	1,076.59	1,425.64
Employee Benefits Payable	140.48	95.70
Advance for Capital items	100.01	-
Advance from Customers	284.64	55.22
Security Deposits	35.53	111.23
Others	194.74	197.82
Total	<u>3,790.85</u>	<u>4,757.44</u>
10 Short-term Provisions		
For Bonus	169.15	184.16
For Gratuity	375.37	334.49
For Taxation	122.09	-
Total	<u>666.61</u>	<u>518.65</u>

11 Fixed Assets

SI No	Particulars	Gross Block				Depreciation				Net Block	
		As at 01.04.11	Additions	Disposals	As at 31.03.12	As at 01.04.11	For the year	Disposals	As at 31.03.12	As at 31.03.12	As at 31.03.11
a.	Tangible Assets										
	Land	870.09	6.23	35.19	841.13	-	-	-	-	841.13	870.09
	Buildings	6,758.96	35.57	969.96	5,824.57	1,508.35	192.61	187.02	1,513.94	4,310.63	5,250.81
	Plant and Equipment	34,394.55	231.27	412.78	34,213.04	25,664.94	1,713.38	326.87	27,051.45	7,161.59	8,729.61
	Office Furniture & Fittings	351.62	1.51	67.45	285.68	194.48	14.13	23.88	184.73	100.95	157.14
	Vehicles	258.51	-	15.01	243.50	181.25	16.87	12.00	186.12	57.38	77.26
	Total	42,633.73	274.58	1,500.39	41,407.92	27,549.02	1,936.99	549.77	28,936.24	12,471.68	15,084.91
b.	Intangible Assets										
	Computer software	296.32	-	-	296.32	291.35	2.44	-	293.79	2.53	4.97
	Goodwill on Consolidation	601.64	-	-	601.64	0.66	150.25	-	150.91	450.73	600.98
	Total	897.96	-	-	897.96	292.01	152.69	-	444.70	453.26	605.95

11.c Depreciation and Amortisation for the year on	31.03.2012	31.03.2011
Tangible Assets as per Note 11.a	1,936.99	2,075.19
Intangible Assets as per Note 11.b	152.69	12.90
Total	<u>2,089.68</u>	<u>2,088.09</u>

11.d Depreciation on Plant and Equipment for the year includes Rs.10.97 lakhs written back, relates to subsidiaries.



Notes forming part of the Consolidated financial statements

12 Non-current Investments

Investments in Equity Shares

Trade Unquoted (At Cost)

	31.03.2012	31.03.2011
Andhra Pradesh Gas Power Corporation Ltd 9,38,000 (9,38,000) shares of ₹ 10 each fully paid	1,293.02	1,293.02
MMS Steel and Power Ltd 2,03,938 (2,03,938) shares of ₹ 10 each fully paid	20.39	20.39
Non-Trade Unquoted (At Cost)		
Elgi Electric and Industries Ltd 8,60,000 (8,60,000) shares of ₹ 10 each fully paid	86.00	86.00
Sara Elgi Industries Ltd. 2,50,000 (2,50,000) shares of ₹ 10 each fully paid	25.00	25.00
Aggregate value of unquoted investments (At Cost)	<u>1,424.41</u>	<u>1,424.41</u>
Fair value - ₹ 1424.41 (Previous value - ₹ 1424.41 lakhs)		

13 Inventories

Valued at cost or Net realisable value whichever is lower

Raw Materials	1,969.45	10,802.02
Work in Process	854.78	1,214.76
Finished Goods	528.17	1,798.70
Stores and Spares	320.00	310.22
Waste	95.67	125.72
Traded Goods	3.80	44.02
Total	<u>3,771.87</u>	<u>14,295.44</u>

14 Trade Receivables

(Unsecured, considered good)

Outstanding for a period exceeding six months	497.29	478.96
Others	3,608.04	3,894.80
Total	<u>4,105.33</u>	<u>4,373.76</u>

15 Cash and Cash Equivalents

Balance with Banks	250.08	484.24
Cash on Hand	7.43	5.09
Unpaid Dividend	15.02	16.19
Deposit Accounts	-	56.23
Total	<u>272.53</u>	<u>561.75</u>



Notes forming part of the Consolidated financial statements

	31.03.2012	31.03.2011
		₹ lakhs
16 Short-term Loans and Advances		
Unsecured, considered good		
Loans and Advances	850.89	1,231.75
Prepaid Expenses	86.11	55.54
Employee Related Advances	49.67	49.29
Advance Payment of Taxes	1,149.87	1,741.30
Deposit with Excise and Customs Authorities	275.56	327.48
Other Deposits	563.28	494.16
Total	2,975.38	3,899.52
17 Other Current Assets		
Interest Accrued	50.53	100.42
Income Accrued	88.30	26.40
Total	138.83	126.82
18 Revenue from Operations		
Sale of products	38,987.54	48,800.57
Other operating revenues	53.27	98.57
Less: Excise duty	(145.67)	(167.67)
Total	38,895.14	48,731.47
19 Other Income		
Interest Income(Refer Note 19.1 below)	77.69	56.77
Other Non-operating Income(Refer Note 19.2 below)	1,379.86	556.52
Total	1,457.55	613.29
19.1 Interest Income		
Interest on Electricity Deposits	31.20	32.61
Interest on IT refunds	38.14	9.91
Other Interest Receipts	8.35	14.25
Total	77.69	56.77
19.2 Other Non-operating Income		
Insurance Claim Receipts	93.40	12.52
Rent Receipts	26.42	28.01
Profit on sale of assets	1,328.93	563.60
Loss on sale of assets	(68.89)	(47.61)
Total	1,379.86	556.52



Notes forming part of the Consolidated financial statements

		₹ lakhs
20.a Cost of Materials Consumed	31.03.2012	31.03.2011
Opening Stock	10,802.02	3,824.82
Add: Purchases	18,807.16	36,312.49
Less: Closing Stock	1,969.45	10,802.02
Cost of material consumed	<u>27,639.73</u>	<u>29,335.29</u>
Material consumed comprises:		
Cotton	27,069.44	28,698.80
Resin and Additives	365.97	422.56
Steel Reinforcement	12.18	7.90
Profiles	186.69	199.68
Accessories for doors and windows	5.45	6.35
	<u>27,639.73</u>	<u>29,335.29</u>
20.b Purchase of Traded goods		
Cotton yarn	1,401.00	1,050.00
Spares for doors and windows	33.25	27.61
	<u>1,434.25</u>	<u>1,077.61</u>
20.c Change in Inventories of Finished goods, Work-in Process & Stock in Trade		
Inventories at the end of the year		
Finished goods	528.17	1,798.70
Work-in Progress	854.78	1,214.76
Stock in Trade	3.80	44.02
Total	<u>1,386.75</u>	<u>3,057.48</u>
Inventories at the beginning of the year		
Finished goods	1,798.70	467.10
Work-in Progress	1,214.76	1,219.16
Stock in Trade	44.02	47.96
Total	<u>3,057.48</u>	<u>1,734.22</u>
Net (Increase) / Decrease	<u>1,670.73</u>	<u>(1,323.26)</u>
21 Employee Benefit Expenses		
Salaries	3,169.22	3,507.07
Contributions to		
- Provident Funds	165.78	150.76
- Super Annuation Funds	9.52	3.47
Gratuity Fund Contributions	66.66	142.89
Welfare Expenses	395.69	361.83
Total	<u>3,806.87</u>	<u>4,166.02</u>



Notes forming part of the Consolidated financial statements

	31.03.2012	31.03.2011
		₹ lakhs
22 Finance Cost		
Interest on Term Loans	2,987.37	2,256.89
Other Borrowing Cost	83.82	63.06
Total	3,071.19	2,319.95
23 Other Expenses		
Stores	1,668.67	2,119.71
Repairs and Maintenance	573.32	897.35
Processing Charges	255.64	404.47
Power and Fuel	2,761.70	4,471.88
Selling Expenses	1,106.16	1,565.03
Rent	11.28	7.30
Insurance Charges	48.48	47.05
Postage, Telephone and Printing	35.66	43.31
Travelling and Transport charges	116.50	151.21
Bank Charges and Commission	41.46	78.94
Taxes and Licenses	65.35	77.56
Professional Charges	78.80	67.18
Auditors Remuneration	7.37	6.57
Directors Sitting Fee	3.11	3.36
Others	150.47	126.65
Total	6,923.97	10,067.57
23.1 Auditors' Remuneration :		
As Auditor	4.50	4.50
For other services	2.87	2.07
Total	7.37	6.57
24 Additional Information to the Financial Statements		
24.1 Estimated amount of contracts remaining to be executed on capital account and not provided for	752.83	877.80
24.2 Contingent Liabilities:		
Letters of Credit	1,715.28	2,310.30
Bank Guarantees	6.00	6.57
Bills discounted with company's bankers	738.11	2,886.91
Disputed demands from Income tax authorities	1,757.62	3,058.63
Disputed Excise duty liability	75.98	287.57
Disputed Sales tax liability	83.93	252.95



Notes forming part of the Consolidated financial statements

24.3 Earnings per Share: The following reflects the income and share data used in the computation of Basic Earnings per Share.

Amount used as Numerator

Net Profit attributable to the ordinary shareholders for Basic

and Diluted Earnings per Share **(4,407.63)** 1,470.40

No. of ordinary shares used as denominator applicable **550.00** 550.00

Nominal value per share **1.00** 1.00

Basic Earnings per share - Face value of ₹ 1 per share **(8.01)** 2.67

24.4 Details of employee benefits as required by the Accounting Standard 15(Revised) are as under:

a) Description of the company's defined plan: The company operates a defined plan for payment of post employment benefits in the form of gratuity.

Benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided in the Payment of Gratuity Act, 1972. The terms of benefit are common for all the employees of the company.

b) Reconciliation in respect of the changes in the present value of the obligation:

Particulars	31.03.2012	31.03.2011
Present value of the Obligation as on 1st April	724.73	690.96
Current Service Cost	66.07	33.40
Interest Cost	117.54	51.50
Actuarial Gains and Losses	21.33	85.55
Post Service tax	-	5.05
Benefits Paid	(26.38)	(141.76)
Present value of the Obligation as on 31st March	903.29	724.70

The liability of the company as of 31st of March 2012 has been funded to the extent of ₹ 427.58 lakhs.

c) Reconciliation in respect of the changes in the Fair Market Value of the Plan Assets:

Particulars	31.03.2012	31.03.2011
Fair value of the Plan Assets as on 1st April	391.60	347.87
Expected Rate of Return	36.03	32.62
Actuarial Gains and Losses	1.33	0.22
Contributions by the Employer	25.00	152.64
Benefits paid	(26.38)	(141.76)
Fair value of the Plan Assets as on 31st March	427.58	391.59

No reimbursement rights were available at the beginning or end of the year for recognition as an asset.



Notes forming part of the Consolidated financial statements

d) The total expenses recognised in the Statement of Profit and Loss as follows: ₹ lakhs

Particulars	31.03.2012	31.03.2011
Current Service Cost	33.64	33.40
Interest Cost	59.09	51.50
Expected Return on Plan Assets	(36.03)	(32.62)
Post Service tax	-	5.05
Actuarial Gains and Losses	8.40	85.34
Amount recognised in the Statement of Profit and Loss	65.10	142.67

The expenses has been included under the head "Gratuity fund contributions" under the "Employee Benefit Expenses" in the statement of profit and loss.

e) Investment Details: LIC Group Gratuity(Cash Accumulation) Policy - 100% invested in Debt instruments.

f) Principal Actuarial Assumptions used at the Balance Sheet date is as follows:

Particulars	31.03.2012	31.03.2011
Discount Rate	8.00 - 8.70%	8.00 - 8.30%
Expected Rate of Return on Plan Assets	8.00 - 9.30%	8.00 - 9.25%
Rate of escalation in salary(per annum)	5.00 - 6.00%	5.00 - 8.00%

The estimates of rates of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

g) Reconciliation of Fair Value of Plan Assets and Obligations:

Particulars	31.03.2012	31.03.2011
Present value of the Defined Benefit Obligation	800.78	724.73
Fair value of Plan Assets	427.58	391.60
Deficit in Plan Assets	375.84	333.13
Experience Adjustments arising on Plan Liabilities as an amount	(39.45)	(85.55)
Experience Adjustments arising on Plan Assets as an amount	1.32	0.22



Notes forming part of the Consolidated financial statements

24.5 Segment Information:

A.Primary Segment - Business Segment

₹ lakhs

Particulars	Textile Products		UPVC Windows/ Profiles / Power Duct		Consolidated Details	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
a) Revenue including excise duty	37,795	47,776	1,100	1326	38,895	48,731
Sales	37,795	47,776	1,100	1326	38,895	48,731
Total Revenue						
b) Result						
Operating Profit(PBIT)	(3,237)	3,722	99	267	(3,141)	3,878
Unallocable Corporate expenses	-	-	-	-	150	1
Interest expense	3,023	2,293	49	40	3,071	2,320
Interest income	73	53	4	4	78	57
Profit before tax	(6,187)	1,482	54	231	(6,284)	1,614
Provision for current tax	1	2	14	48	15	50
Provision for deferred tax	(2,251)	(21)	5	(13)	(2,246)	(21)
Tax adjustment of earlier years	355	110	-	5	355	115
Net Profit	(4,292)	1,391	35	191	(4,408)	1,470
c) Segment assets	25,951	39,025	2,191	2,536	26,809	40,373
Unallocable Corporate assets	-	-	-	-	-	-
Total assets	25,951	39,025	2,191	2,536	26,809	40,373
d) Segment liabilities	25,951	39,025	2,191	2,536	26,809	40,373
Unallocable Corporate Liabilities	-	-	-	-	-	-
Total liabilities	25,951	39,025	2,191	2,536	26,809	40,373
e) Cost incurred during the period to acquire segment fixed assets	253	338	8	2	261	340
f) Depreciation / Amortisation	1,900	2,081	39	67	2,090	2,088
g) Non cash expenses other than depreciation / amortisation	-	-	-	-	-	-



Notes forming part of the Consolidated financial statements

B. Secondary Segments- Geographical Segments:

₹ lakhs

Particulars	31.03.2012	31.03.2011
Segment Revenue		
- within India	33,146	39,695
- outside India	5,749	9,036
Total	38,895	48,731

24.6 Related Party Disclosure(as certified by the Management)

(i) Names of Related parties and description of Relationship

a) Key Management Personnel	Vidyaprakash D, Chairman Sumanth Ramamurthi, Managing Director
b) Subsidiaries	Sara Elgi Arteriors Ltd Elgi Building Products Ltd
c) Others	Super Sara Textiles Ltd Super Farm Products Ltd Sara Elgi Insurance Advisory Services Pvt Ltd Sara Trading and Industrial Services Ltd Coimbatore Pioneer Fertilisers Ltd
Elgi Electric and Industries Ltd	
Sara Elgi Industries Ltd	
Kakatiya Textiles Ltd	
Sara Elgi Envirotech Ltd	
Sara Elgi Industrial Research and Development Ltd	
Prashanth Textiles Ltd	

(ii) Related Party Transactions

Nature of Transaction	Other than subsidiaries		Key Mgmt Personnel		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Purchase of goods	1616.15	2409.22	-	-	1616.15	2409.22
Sales	724.11	1524.37	-	-	724.11	1524.37
Sale of fixed assets	2.86	10.24	-	-	2.86	10.24
Purchase of fixed assets	3.12	-	-	-	3.12	-
Managerial Remuneration	-	-	46.44	108.07	46.44	108.07
Service charges paid	0.70	-	-	-	0.70	-
Rent received	17.35	14.66	-	-	17.35	14.66
Rent paid	3.18	3.18	-	-	3.18	3.18
Interest Paid	20.37	-	2.74	-	23.11	-
Loan Received	-	-	67.50	-	67.50	-
Amount outstanding at year end - Dr	1626.47	1164.88	69.97	-	1696.44	1164.88
Amount outstanding at year end - Cr	0.17	86.29	-	-	0.17	86.29



Notes forming part of the Consolidated financial statements

24.7 The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard (AS-21).

The subsidiaries considered in the Consolidated Financial Statements are:

Name of the Indian Subsidiary	% of Voting Power held as of 31.03.2012
Sara Elgi Arteriors Ltd	100%
Elgi Building Products Ltd	100% including subsidiary's holding

24.8 The revised Schedule VI has become effective from 1st April 2011, for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous years figures have been regrouped and reclassified, wherever necessary, to correspond with the current years classification / disclosure.

As per our report of even date attached
 For **Reddy, Goud and Janardhan**
 Chartered Accountants
 Registration No.003254S
Balakrishna S Bhat
 Partner, Membership No.202976

Coimbatore, 22nd May, 2012

A S Thirumoorthy
 Chief Operating Officer & CFO

For and on behalf of the Board

Vidyaprakash D
 Chairman

Sumanth Ramamurthi
 Managing Director

Srikanth R
 Company Secretary

Super Spinning Mills Limited

Regd. Office: "ELGI TOWERS". P B 7113, Green Fields
Puliakulam Road, Coimbatore – 641 045

ADMISSION SLIP

Name of the Member		Folio No. / Client ID No.	
Name of Proxy		No. of Shares	

I hereby record my presence at the 50th Annual General Meeting of the Company held on Wednesday, the 5th September 2012 at 3.30 P.M at Ardra Convention Centre, 'Kaanchan', No. 9, North Huzur Road, Coimbatore - 641 018

.....
Signature of Member / Proxy

- Notes** : 1. Shareholder / Proxy holder must bring the Admission Slip to the meeting and hand over at the entrance duly signed.
2. Shareholders are requested to advise their change of address as well as request for consolidation of folio, in any, to the above address, quoting folio numbers.



Super Spinning Mills Limited

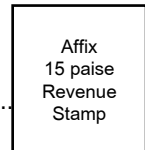
Regd. Office: "ELGI TOWERS". P B 7113, Green Fields
Puliakulam Road, Coimbatore – 641 045

PROXY FORM

I/We.....of
..... being a Member / Members of Super Spinning Mills Ltd., hereby appoint of or failing him of as my / our Proxy to attend and vote for me / us on my / our behalf at the 50th Annual General Meeting of the Company to be held on Wednesday, the 5th September 2012 at 3.30 P.M at Ardra Convention Centre, 'Kaanchan', No. 9, North Huzur Road, Coimbatore - 641 018 and at any adjournment thereof.

Signed this day of 2012.

Signature
.....



Folio No.	
-----------	--

No. of Shares	
---------------	--

Notes : The proxy form must be returned so as to reach the Registered Office of the Company, "ELGI TOWERS". P B 7113, Green Fields, Puliakulam Road, Coimbatore - 641 045 not less than forty eight hours before the time for holding the aforesaid meeting.

Book Post

SUPER



Super Spinning Mills Limited

ELGI TOWERS

P B # 7113, Green Fields, 737-D, Puliakulam Road, Coimbatore – 641 045, INDIA

Tel : =91 422-2311711, Fax : +91 422 - 2311611

E-mail : super@ssh.saraelgi.com

www.superspining.com