

SARA ELGI

SUPER



Super Spinning Mills Limited

**47th Annual Report
2008 - 2009**

SUPER



Super Spinning Mills Limited

Chairman

Managing Director

Executive Director

Board of Directors

Company Secretary

Auditors

Bankers

Registrar and Share Transfer Agent

Registered & Central Office

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Mr Vidyaprakash D

Mr Sumanth Ramamurthi

Mr K R Seethapathy

Mr C S K Prabhu

Mr D Sarath Chandran

Mr Sudarsan Varadaraj

Mr B Vijayakumar

Mr Vijay Venkataswamy

Mr T V Thulsidass

M/s Reddy, Goud & Janardhan

Union Bank of India

State Bank of India

Citibank N A

Andhra Bank

IDBI Bank

ICICI Bank

Link Intime India Pvt Ltd

(Formerly Intime Spectrum Registry Ltd)

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Behind Senthil Nagar, Sowripalayam Road,

Coimbatore-641028

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"ELGI TOWERS", PB 7113,

Green Fields

737-D, Puliakulam Road,

Coimbatore-641045 Tamil Nadu

Phone : (0422) 2311711, 4351711

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E-mail : super@ssh.saraelgi.com

Internet : www.superspining.com

Mills

A & O.E Unit : Kirikera, Andhra Pradesh

B Unit : Kotnur, Andhra Pradesh

C Unit : D-Gudalur, Tamilnadu

D Unit : Udumalpet, Tamilnadu

Super Sara : Beerapalli, Andhra Pradesh

Garment Unit : New Tirupur & Thekkalur, Tamilnadu

SUPER



Notice to the Members

Notice is hereby given that the 47th Annual General Meeting of the Company will be held on Wednesday, the 23rd September, 2009 at 3.00 PM at Ardra Convention Centre, "Kaanchan", No.9, North Huzur Road, Coimbatore - 641 018, to transact the following business :

Ordinary Business

- To receive, consider and adopt the following :
 - The audited Profit and Loss Account for the year ended 31st March, 2009.
 - The audited Balance sheet as at 31st March, 2009 and
 - The reports of the Directors' and the Auditors'.
- To appoint a Director in the place of Mr B Vijayakumar, who retires by rotation and being eligible, offers himself for re-appointment.
- 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.
- To appoint Auditors and to fix their remuneration.

For and on behalf of the Board

Coimbatore
27th May, 2009

Vidyaprakash D
Chairman

Notes

- 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.
- 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.

- Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
- The register of members and share transfer books of the company will remain closed from 10.09.2009 to 23.09.2009 (both days inclusive).
- The brief profile and other information in respect of Non-Executive Directors seeking re-appointment are furnished in the Notice.
- 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, Tamil Nadu, Coimbatore, Stock Exchange Building, Singanallur, Coimbatore – 641 005.
- The company has transferred the amount of unclaimed dividends paid from 1995-96 to 2001-02 to the Investors Education and Protection Fund of the Central Government as required under Sections 205A and 205C of the Companies Act, 1956.
- 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 Government. Any claim relating to the unclaimed dividend for the financial years from 31.03.2003 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.
- The name of the Registrar and share transfer agent of the company has been changed to M/s Link Intime India Pvt Ltd. All 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.

Directors' Report & Management Discussion and Analysis

To the Members,

Your Directors present the 47th Annual report together with the audited statement of accounts for the financial year ended 31st March 2009.

	Rs. Lakhs	
FINANCIAL RESULTS	31.03.2009	31.03.2008
Sales	36644.79	39215.27
Total Income	36872.62	40579.04
Earnings Before Interest, Depreciation & Tax	1770.78	4609.94
Less : Interest	2809.81	1775.79
Earnings Before Depreciation & Tax	(1039.03)	2834.15
Less : Depreciation	2606.71	2449.23
Profit before tax	(3645.74)	384.92
Less : Provision for taxation	2.00	48.00
Add / Less : Deferred tax	1013.34	92.43
Less : Fringe benefit tax	21.85	30.00
Profit after tax	(2656.25)	214.49
Less : Prior year expenses	8.25	13.24
Less : Taxes relating to Earlier Years	78.08	29.38
Net Profit / (Loss)	(2742.58)	171.86

Dividend

Due to absence of profits, no dividend has been recommended for the financial year 2008 – 2009.

Performance

During the fiscal year ended 31st March 2009 your Company has earned a total income of Rs. 36872.62 Lakhs and incurred a loss of Rs. 2742.58 Lakhs.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Conditions and Review of Operations

The cotton textile industry in India had to contend with major challenges during the year. Price of cotton has stayed firm on account of exports in the first half of the year and higher minimum support price offered by the Government to cotton farmers in the second half of the financial year.

Yarn prices remained depressed on lower demand in both the export as well as the domestic markets. The impact of the severe economic downturn in the economies of the developed countries, notably the USA and Western Europe, was acutely felt in India too. Issues relating to power shortage and fuel prices continue to affect the textile sector. Excess capacities and significant erosion in margins due to severe competition have also had a negative impact on the profitability of the industry.

Consequently, the operations of your company also came under severe strain during the year resulting in lower sales and loss. Sale of yarn and price realization in both the domestic and export markets have been lower this year on account of poor demand for yarn and fabrics.

Company outlook

During the current year there is a slight improvement in the demand for the Company's products and further improvement is expected.

Measures are being taken to save costs and rationalize operations, which are likely to yield positive results. The decline in consumer spending which had affected sale of yarn and fabric made by the Company is expected to ease with the gradual improvement in the economic conditions. Another source of concern is the continuing power shortage in the states of Andhra Pradesh and Tamil Nadu, where the Company's units are located.

Opportunities, Risks and Concerns

The formation of a stable government at the centre is expected to boost consumer confidence, which will in turn improve demand for textile products. However, competition from other exporting countries with low cost structures may affect profitability in the event of a significant strengthening of the Indian Rupee against the US Dollar during the year. At present additional incentives are available in competing countries like China and Pakistan for yarn exports and it is expected that the government would provide necessary support to the Indian textile sector also. The prediction of a normal monsoon for the current year gives hope for higher production and lower prices of Cotton.

Directors

Mr B. Vijayakumar, 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 Corporate Governance Report of this Annual Report.

Internal Control System

The SAP – ERP system implemented by the company is fully operational. The system's efficacy is being constantly reviewed and improvements made to ensure reliability of the processes. The company has an Internal Auditor appointed by the Board to conduct regular audit of the internal control systems and report to the Audit Committee of the Board of Directors. The Audit Committee reviews the adequacy of internal control systems on a quarterly basis and recommends improvements to the same, wherever found necessary.

Recognition and Reward

Your Directors are glad to inform that Super B unit of the company has received "Excellence award" for Autoconers department and "Par excellence award" for Preperatory department in the year 2008-09 from National Convention on Quality Circle - NCQC, conducted at Vadodara. Super C unit of the company has received the "SA-8000" Certification for Social Accountability International - Italy through BUREAU VERITAS and the Fair Trade Labelling Organisation Certification for cotton yarn processing.

Foreign Exchange earnings

Your company has generated foreign exchange earnings of Rs.11362.80 Lakhs through Exports and the foreign exchange utilized during the year amounted to Rs.3664.95 Lakhs.

Annexure to the Directors Report and Management discussion & Analysis

A. Conservation of Energy

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 mill, helped the company effect significant savings in energy consumption. Provision of suitable starter connections to the high energy consumption motors helped conserve energy depending upon the load of the machines. Extension of improved humidification system in the plant houses yielded better savings in Plant house power consumption.

Fixed Deposits

During the year the Company did not accept or renew any Fixed Deposits. 2 Fixed Deposits amounting to Rs.0.5 Lakhs remained unclaimed as on 31st March 2009.

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.

Personnel Relations

Staff and Labour relations during the year at all units of the company continued to be cordial. During the year the company announced a Voluntary Retirement Scheme for the employees at Super A and Super B Units and a total of 110 employees of both units have opted for the same.

Statutory Information

A statement showing the details of employees under Section 217(2A), 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.

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

Your Directors have taken necessary steps to ensure that :

- i. All applicable accounting standards have been followed in the preparation of annual accounts.
- ii. All the necessary accounting policies have been adhered to and all necessary adjustments 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 loss of the company for the period.
- iii. 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.
- iv. 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.

For and on behalf of the Board

Coimbatore
 27th May, 2009

Vidyaprakash D
 Chairman

B. Research & Development

Research and Development activities are currently focused on modified carding system for effective carding process. Investigations have shown improved results. The degree of commercial advantage obtainable is being studied.

C. Technology Absorption, Adaptation and Innovation

The effectiveness of using Auto doffing in ring frames towards minimization of doffing team continues to be analyzed.



**FORM - A – CONSERVATION OF ENERGY (CONSOLIDATED FOR ALL SPINNING UNITS)
AS PRESCRIBED IN FORM A**

A. Power & Fuel Consumption	31.03.2009	31.03.2008
1. Electricity		
(a) Purchased		
Units in Lakhs	964.1	1017.6
Total amount in Rs. Lakhs	2883.1	3150.6
Rate per unit in Rs.	3.0	3.1
(b) Own generation		
(i) Through Diesel Generator		
Units in Lakhs	6.6	16.2
Units per litre of diesel oil	3.3	3.4
Total amount in Rs. Lakhs	73.7	166.4
Cost per unit in Rs.	11.3	10.3
(ii) Through Windmill generation		
Units in Lakhs	62.4	60.6
Total amount in Rs. Lakhs	168.4	155.6
Rate per unit in Rs.	2.7	2.6
2. Other fuels are not used		
B. Consumption per unit of production		
(Production of various counts has been converted to the standard count of 40s)		
Electricity (in units) per kg.	5.2	5.6

Annexure to the Directors' Report showing the Particulars of Employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956.

Sl. No.	Name	Age	Qualification & experience (years)	Designation	Nature of duties	Gross remuneration (Rs.)	Date of commencement of Employment	Previous Employment
1.	Mr Sumanth Ramamurthi	49	BS ELECL ENGG (18)	Managing Director	Management of the Company	2,724,000	01.04.1992	Festo Elgi Pvt Ltd., Coimbatore
2.	Mr K R Seethapathy	53	B.SC., MBA (28)	Executive Director	Managing the Operations	2,493,000	16.03.1981	Jothi Mills Coimbatore

- Note :
1. Managing Director and Executive Director are appointed for a period of 3 years at a time.
 2. Gross remuneration includes Salary, Allowances, Company's contribution to Provident and Superannuation Funds and expenditure incurred by the Company for other facilities.
 3. Mr Vidyaprakash D is related to Mr Sumanth Ramamurthi.



Report on Corporate Governance

Company's philosophy on code of governance

Company shall adopt self Governing Corporate Governance model to adhere to all the rules and regulations of the statutory authorities. It shall also discharge its duties and obligations in a fair and transparent manner with the object of maximising the value of the stakeholders namely shareholders, employees, financial institutions, suppliers and business partners.

Board of Directors - Composition, Category and Attendance

The Board comprises of Eight Directors including three Executives and five Non-Executive Independent Directors. During the year 2008-09, six Board Meetings were held on 16.04.2008, 31.05.2008, 31.07.2008, 31.10.2008, 29.01.2009 and 18.03.2009.

Name	Category	No. of other companies in which he is a Director #	Committee in which he is a Member / Chairman	No. of Board Meetings attended	Whether attended the AGM held on 24.09.2008
Mr Vidyaprakash D Executive Chairman	Promoter's Relative and Executive	3	1/Nil	6	Y
Mr Sumanth Ramamurthi Managing Director	Promoter and Executive	12	2/Nil	6	Y
Mr K R Seethapathy Executive Director	Non-promoter and Executive	6	Nil/Nil	6	Y
Mr C S K Prabhu	Independent and Non-Executive	3	5/5	6	Y
Mr D Sarath Chandran	Independent and Non-Executive	6	3/Nil	6	N
Mr Sudarsan Varadaraj	Independent and Non-Executive	8	7/Nil	3	N
Mr B Vijayakumar	Independent and Non-Executive	10	4/Nil	5	Y
Mr Vijay Venkataswamy	Independent and Non-Executive	4	2/1	6	Y

Excluding Directorships in Private and Foreign Companies

Relationship of Directors inter-se

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



A brief resume in respect of the proposed appointment and re-appointment of Directors is given below in terms of Clause 49 of the Listing Agreement.

Profile of the retiring Directors

1. Mr B Vijayakumar, a leading industrialist, is a science graduate and an Automobile Engineer. He is associated with the company as Director since 1984.

Other Directorships :

L G Balakrishnan & Bros Ltd -
Chairman cum Managing Director
LGB Forge Ltd - Chairman
Elgi Equipments Ltd
Elgi Automotive Services Ltd
LGB Auto Products Ltd
South Western Engineering India Ltd
LG Farm Products Ltd
Rolon Fine Blank Ltd
LGB Rolon Chain Ltd
LG Sports Ltd
Renold Chain India Private Ltd
LGB Fuel Systems Private Ltd
SUPER SPEEDS Private Ltd
Super Transports Private Ltd
BCW V Tech India Private Ltd

Details of shares held : 6670 Equity shares of Re.1/- each.

Committee position in other public Companies

Name of the company	Name of the committee	Position held
L G Balakrishnan & Bros Ltd	Shareholders & Investors Committee	Member
LGB Forge Ltd	Shareholders & Investors Committee	Member

2. Mr C S K Prabhu, Chartered Accountant was inducted into the Board in 2003. He has more than three decades of experience as Auditor, specializing in the areas of finance, direct taxation, accounting etc. He is a senior partner of M/s CSK Prabhu & Co.

Other Directorships :

Bannari Amman Spinning Mills Ltd
Kakatiya Textiles Ltd
Shiva Texyarn Ltd

Details of shares held : 5000 Equity shares of Re.1/- each.

Committee position in other public Companies

Name of the company	Name of the committee	Position held
Bannari Amman Spinning Mills Ltd	Audit Committee Investor Grievance Committee Remuneration Committee	Chairman Chairman Member
Kakatiya Textiles Ltd	Shareholders Committee Audit Committee Remuneration Committee	Chairman Member Member
Shiva Texyarn Ltd	Audit Committee	Member

Committees of the Board

Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956, and the Guidelines set out in the Listing Agreement with the Stock Exchanges. The terms of reference include-

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the following subjects:
 - (i) the quarterly financial statements before submission to the board for approval.
 - (ii) annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;



- e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with internal auditors on any significant findings and follow up thereon.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the board.
 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any areas of concern.
 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

The Company's Audit Committee consists of four Independent Directors, chaired by Mr C S K Prabhu. The Audit Committee was reconstituted during the year with the inclusion of Mr B Vijayakumar and Mr Sudarsan Varadaraj, due to the resignation of Mr S Jeyaraman on 16.04.2008 and attaining superannuation of Mr C R Ramamurthy on 24.09.2008.

Remuneration to Non-Executive Directors
Non-Executive Directors are paid sitting fees for attending each Board and Committee Meetings. The sitting fees paid to each such Directors was Rs.10000/- for each Board and Audit Committee Meetings and Rs.1000/- for Shareholders Committee Meeting. The company does not have any stock option scheme for the Directors and the Employees at present.

Meetings of the committee were held on 27.05.2008, 25.07.2008, 24.10.2008 and 23.01.2009.

Name of the Member	No. of Meetings Attended
Mr C S K Prabhu	4
Mr Sudarsan Varadaraj	2
Mr B Vijayakumar	2
Mr Vijay Venkataswamy	4

Remuneration Committee

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.

The Company's Remuneration Committee consists of four Independent Directors, chaired by Mr C S K Prabhu. The Remuneration Committee was reconstituted during the year with the inclusion of Mr B Vijayakumar and Mr Sudarsan Varadaraj, due to the resignation of Mr S Jeyaraman on 16.04.2008 and attaining superannuation of Mr C R Ramamurthy on 24.09.2008. No meeting of the Remuneration Committee of the Board was held during the year.

Name of the Member	No. of Meetings Attended
Mr C S K Prabhu	Nil
Mr Sudarsan Varadaraj	Nil
Mr B Vijayakumar	Nil
Mr Vijay Venkataswamy	Nil

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. Remuneration of the whole-time Directors for the year ended 2008-09 is as follows.

	Rs. Lakhs
Mr Vidyaprakash D, Executive Chairman	19.05
Mr Sumanth Ramamurthi, Managing Director	27.24
Mr K R Seethapathy, Executive Director	24.93

Non-Executive Directors	Sitting Fees Rs.
Mr C S K Prabhu	125000
Mr Vijay Venkataswamy	110000
Mr D Sarath Chandran	74000
Mr Sudarsan Varadaraj	50000
Mr B Vijayakumar	70000



Shareholders' Committee

The shareholders' committee consists of Four Directors and the Compliance Officer. During the year 2008-09, fifteen meetings were held. The members attendance and the date of the committee meetings are as follows:

April 16, May 07 & 31, June 16 & 23, July 02 & 25, September 05, October 13, November 18, 2008, January 05 & 29, February 03, March 18 & 30, 2009.

Name of the Member	No. of Meetings Attended
Mr Vidyaprakash D	14
Mr Sumanth Ramamurthi	13
Mr D Sarath Chandran	14
Mr C S K Prabhu	15
Compliance Officer	15

Investor grievance redressal

During the year the company had received four complaints from the shareholders and the same have been redressed to the satisfaction of the shareholders. There were no complaints pending unresolved during the year ended 31.03.2009.

Details of the shareholdings of Non-Executive Directors as on 31.03.2009

Name of the Director	No. of shares held
Mr C S K Prabhu	5000
Mr D Sarath Chandran (SHUF)	6500
Mr D Sarath Chandran (I)	5210
Mr Vijay Venkataswamy	5000
Mr Sudarsan Varadaraj	92250
Mr Sudarsan Varadaraj (SHUF)	88850
Mr B Vijayakumar	6670

General Body Meetings

Details of Annual General Meetings held in last three years

Year	Location	Date	Time	Special Resolutions passed in the AGM's
2006	Ardra Convention Centre Kaanchan No.9, North Huzur Road Coimbatore-641 018	07.07.2006	4.00 PM	Appointment of Chairman. * Allotment of shares to Qualified Institutional Buyers. * Issue of shares/securities by way of GDR's/ADR's and * Preferential allotment to Promoters. Nil
2007	Ardra Convention Centre Kaanchan No.9, North Huzur Road Coimbatore-641 018	23.08.2007	4.00 PM	Nil
2008	Ardra Convention Centre Kaanchan No.9, North Huzur Road Coimbatore-641 018	24.09.2008	3.00 PM	· Revision in the remuneration of the Executive Director. · Appointment of Executive Chairman. · Re-appointment of Managing Director. · Re-appointment of Executive Director. · De-listing of shares from Coimbatore Stock Exchange Ltd., and Madras Stock Exchange Ltd.

* These resolutions lapsed, as no issue / allotment of shares were made.

Disclosure

(A) Related Party Transactions

Disclosures on materially significant related party transactions i.e. transactions made by the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

(B) Compliances by the Company

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital market during the last three years.



No penalties have been imposed on the company by the stock exchanges or SEBI or any other statutory authorities on matters in relation to the capital market.

(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 are taken on record by the Board. The Financial results are published in MALAI MALAR and FINANCIAL EXPRESS and displayed on the website of the company www.superspinning.com and posted on the Electronic Data Information Filling and Retrieval at www.sebiedifar.nic.in through EDIFAR.

General Information to Share Holders

Date of the Meeting : 23.09.2009

Time of the Meeting : 3.00 PM

Place of the Meeting : Ardra Convention Centre, ``Kaanchan'', No.9, North Huzur Road, Coimbatore-641 018

Financial Calendar : 1st April to 31st March

Date of Book Closure : From 10.09.2009 to 23.09.2009 (Both days Inclusive)

Dividend Payment date: Nil dividend for the year ended 31.03.2009.

Listing on Stock Exchanges

The Equity shares of the company are listed on The Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd., Coimbatore Stock Exchange Ltd. and Madras Stock Exchange Ltd. The company confirms that it has paid annual listing fees to "The Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd" for the year 2009-2010. Necessary applications have already been made in connection with the de-listing of shares of the company from Coimbatore Stock Exchange Ltd and Madras Stock Exchange Ltd approved at the Annual General Meeting held on 24.09.2008. The approvals for the same is awaited from the Madras Stock Exchange Ltd and Coimbatore Stock Exchange Ltd. Coimbatore Stock Exchange Ltd 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 of India Ltd	SUPERSPIN
Madras Stock Exchange Ltd	SUPER SPG
Coimbatore Stock Exchange Ltd	

Market price data for the year 2008 - 09

Month	BSE Sensex		Share price of the company	
	High	Low	High (Rs.)	Low (Rs.)
April 2008	8886.65	7658.38	17.45	12.75
May 2008	8936.26	8102.10	16.80	13.20
June 2008	8197.98	6687.86	14.20	9.12
July 2008	6962.93	6170.00	11.50	9.25
August 2008	7309.81	6777.43	11.25	8.90
September 2008	7033.81	5332.81	11.50	7.70
October 2008	5647.71	3338.27	8.65	5.50
November 2008	4132.31	3279.32	7.60	4.70
December 2008	3834.35	3221.70	7.77	4.85
January 2009	3965.41	3246.39	6.70	4.86
February 2009	3428.42	3096.44	5.51	4.56
March 2009	3258.76	2864.24	5.12	3.85

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) and 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.

Details of dematerialised shares as on 31.03.2009

Number of shares dematerialised : 30762845
 % of shares dematerialized : 55.93%

International Securities Identification Number (ISIN) with NSDL & CDSL : INE662A01027

Distribution of Shareholding as on 31.03.2009

S. No	Category	No. of Shares Held	% of Share Holding
A	Promoter's Holdings		
	<u>Promoters:</u>		
	Indian Promoters	21753456	39.55
	Foreign Promoters	-	-
	Persons acting in concert	-	-
	Sub Total	21753456	39.55
B	Non-promoters Holdings		
	<u>Institutional Investors</u>		
	Mutual Fund and UTI	4400	0.01
	Banks, Financial Institutions, Insurance Companies (Central/State Govt. and Non Govt. Institutions)	383085	0.70
	FII's	1513500	2.75
	Sub Total	1900985	3.46
C	Others		
	Private Corporate Bodies	4510347	8.20
	Indian Public	26387427	47.98
	NRIs / OCBs	447785	0.81
	Any other	-	-
	Sub Total	31345559	56.99
	Grand Total	55000000	100.00

Distribution of shareholdings as on 31.03.2009

Shares	No of shareholders	%	No of Shares	%
1 - 500	6302	54.6290	1530512	2.7827
501 - 1000	2080	18.0305	1843177	3.3512
1001 - 2000	1225	10.6189	1965529	3.5737
2001 - 3000	503	4.3603	1330674	2.4194
3001 - 4000	260	2.2538	945360	1.7188
4001 - 5000	299	2.5919	1433341	2.6061
5001 - 10000	410	3.5541	3112364	5.6588
10001 - ABOVE	457	3.9615	42839043	77.8892
Total	11536	100.0000	55000000	100.0000



CEO / CFO Certificate

Certificate from the Managing Director (CEO) and Vice-President Finance (CFO) for the financial year 2008-09, has been provided elsewhere in the Annual Report.

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.

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 31.03.2009.

Coimbatore
27th May, 2009

Sumanth Ramamurthi
Managing Director & CEO

Plant Locations

A unit Kirikera, Hindupur, Ananthapur Dist, Andhra Pradesh.	D unit Udumalpet, Tirupur Dist Tamil Nadu.
B unit Kotnur, Hindupur, Ananthapur Dist, Andhra Pradesh.	Super Sara Beerepalli, Hindupur, Ananthapur Dist, Andhra Pradesh.
C unit D Gudalur, Karur, Tamil Nadu.	Sara Apparels and Fashions Nathakattupirivu, Thekkalur, Coimbatore & New Tirupur, Tirupur Dist, Tamil Nadu
Address for Correspondence and Registered Office Mr T V Thulsidass 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.superspinning.com	Address for Correspondence with Registrar and Share Transfer Agents 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, 2315792 Fax Number : 91 - 422 - 2314792 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, 2009 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 or effectiveness with which the management has conducted the affairs of the Company.

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

Coimbatore
27th May, 2009

Certification by Chief Executive Officer and Chief Financial Officer

To the Board of Directors of Super Spinning Mills Limited,

We, Sumanth Ramamurthi, Managing Director and A S Thirumoorthy, Vice President - Finance of Super Spinning Mills Limited, certify that for the financial year 2008-09 Annual Accounts we have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements present a true and fair view of the company's affairs and are in compliance with accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2008-09 which are fraudulent, illegal or violate the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems for the purpose of financial reporting of the company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems for the purpose of financial reporting and that we have taken the required steps to rectify these deficiencies.
5. We further certify that ;-
 - (a) There have been no significant changes in internal control during this year.
 - (b) There have not been any significant changes in accounting polices during this year.
 - (c) There have been no instances 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.

Coimbatore
27th May, 2009

Sumanth Ramamurthi
Managing Director & CEO

A S Thirumoorthy
Vice President - Finance & CFO



Auditors' Report

We have audited the attached Balance Sheet of Super Spinning Mills Limited, as at 31st March 2009, the Profit and Loss Account 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.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

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 eight parties covered in the register maintained under section 301 of the Companies Act, 1956. The amount involved in the transaction is Rs.3,591.55 Lakhs.

- d. In our opinion, the Balance Sheet, Profit and Loss Account 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 2009 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2009 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, subject to point no.6 of notes forming part of accounts, 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 2009;
 - ii. In the case of the Profit and Loss Account, of the loss 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
Balakrishna S Bhat
Partner
Membership No.202976

Coimbatore
27th May, 2009

- b. No interest is charged with respect to the above advances. However, the 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. According to the information and explanations given to us, the receipt of principal 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 loans 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 2009, according to the records of the Company and the information and explanations given to us, the following are 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 dispute:
- 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:

Name of statute	Issues in the Appeal	Tax Impact (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Add back of DPG Interest, Excessive charge of interest u/s.220, 234B	1,50,96,553	1990 - 1991	ITAT, Chennai
Income Tax Act 1961	Excessive charge of interest u/s.220 and 80HHC	14,37,633	1992 - 1993	CIT(A) Coimbatore
Income Tax Act 1961	Charge of Interest u/s.234 B	8,54,590	1994 - 1995	ITAT, Chennai
Income Tax Act 1961	Excessive charge of interest u/s.220	85,42,990	1995 - 1996	ACIT, Coimbatore
Income Tax Act 1961	MAT computation and excessive charge of interest u/s.220	15,69,176	1998 - 1999	ITAT, Chennai
Income Tax Act 1961	MAT Computation	15,24,324	2000 - 2001	ACIT Coimbatore
Income Tax Act 1961	MAT Short Allowed	55,71,205	2000 - 2001	CIT(A) Coimbatore
Income Tax Act 1961	Claim u/s.80-IA and bad debts written off	1,37,12,686	2004 - 2005	ITAT, Chennai
Income Tax Act, 1961	Replacement of Machinery, Claim u/s 80-IA	2,74,94,070	2005 - 2006	CIT(A), Coimbatore
Income Tax Act, 1961	Disallowance of TUFs Depreciation	1,78,51,779	2006 - 2007	CIT(A), Coimbatore
The Andhra Pradesh Govt. Sales Tax Act	Disallowance of Purchase Tax Credit taken to set off tax collected on Yarn Sales	1,89,64,392	1999 - 2000 to 2003 - 2004	DC(CT) (A) Kurnool
TN General Sales Tax Act	Levy of Penalty for Issue of C Forms	83,92,622	1998 - 1999	Hon'ble High Court of Madras
Maharashtra Sales Tax Central Excise, TN	Goods return disallowed and Non-filing of CST Forms	13,48,384	2003 - 2004	ST Authorities, Mumbai
	Rebate claim on Exports	19,29,464	2004 - 2005 & 2005 - 2006	
Central Excise, TN	Valuation of Cotton Yarn sent to other units	6,13,009	2003 - 2004	CESTAT, Chennai
Central Excise, TN	Deemed CENVAT Credit - Opening Stock	11,05,246	2003 - 2004	Commissioner of Appeals, Coimbatore
Central Excise, TN	Capital Goods moved without payment of Duty	26,30,746	2003 - 2004	Commissioner of Appeals, Coimbatore
Service Tax	Service Tax on Lorry Freight - availment of abatement	31,151	2006 - 2007	Commissioner of Appeals, Tirupur

10. There are no accumulated losses and in the current financial year the Company has incurred cash loss. 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. We are of the opinion that the company has maintained adequate documents and records, where the company has granted loans on the basis of security by way of pledge of other securities. However, 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 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. In our opinion, the terms and conditions on which the company has given the guarantees for loans taken by others from banks are not prejudicial to the interest of the Company.
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.

Coimbatore
27th May, 2009

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

5 Year Highlights

Rs. Lakhs

	2005	2006	2007	2008	2009
Operating Results					
Sales and Other Income	37110	36632	40522	40012	36918
Operating Profit	4269	6618	5981	4610	1771
Interest	1159	1245	1457	1776	2810
Gross Profit	3110	5373	4525	2834	(1039)
Depreciation	1736	2011	2301	2449	2607
Taxes	247	1121	782	170	(911)
Net Profit	1122	2238	1427	172	(2743)
Dividend & Dividend Tax	251	502	322	97	–
Retained Profit	871	1736	1105	75	–
Performance Parameters					
Net Fixed Assets	13327	15612	22446	21091	19449
Share Capital	550	550	550	550	550
Reserves	9225	10961	12067	11743	8571
Net Worth	9775	11511	12617	12293	9121
Return on Net Worth (%)	11	19	11	1	(30)
Borrowings	16162	22258	26056	25837	24071
Debt : Equity	1.7 : 1	1.9 : 1	2 : 1	2.1 : 1	2.6 : 1
Dividend (%)	40	80	50	15	–
Earnings per share (in Rs.)	20.40	40.70	2.60	0.31	(4.99)
(Face Value of Rs. 10/- per Share upto 2006)					
(Face Value of Re. 1/- per Share from 2007 onwards)					


Balance Sheet as at 31st March, 2009

Sources of Funds	Schedule	Rs. Lakhs	
		31.03.2009	31.03.2008
Shareholders' Funds			
Capital	1	550.00	550.00
Reserves & Surplus	2	<u>8570.58</u>	<u>11743.33</u>
		<u>9120.58</u>	<u>12293.33</u>
Loan Funds			
Secured Loans	3	24027.72	25777.16
Unsecured Loans	4	<u>42.77</u>	<u>45.06</u>
		<u>24070.49</u>	<u>25822.22</u>
Deferred Tax (net)	9	<u>1599.06</u>	<u>2612.40</u>
Total		<u>34790.13</u>	<u>40727.95</u>
Application of Funds			
Fixed Assets			
Gross Block	5	42567.98	41832.92
Less : Depreciation		<u>23423.53</u>	<u>21037.19</u>
Net Block		<u>19144.45</u>	<u>20795.73</u>
Capital Work-in-progress		<u>304.99</u>	<u>295.60</u>
		<u>19449.44</u>	<u>21091.33</u>
Investments	6	2742.12	2743.12
Current Assets, Loans & Advances			
Inventories	7	7255.56	11356.97
Sundry Debtors		2402.62	2958.28
Cash & Bank Balances		415.23	422.11
Other Current Assets		396.31	348.91
Loans & Advances		<u>12324.97</u>	<u>11727.55</u>
		<u>22794.69</u>	<u>26813.82</u>
Less : Current Liabilities & Provisions	8	<u>10421.25</u>	<u>10106.61</u>
Net Current Assets		<u>12373.44</u>	<u>16707.21</u>
Miscellaneous Expenditure	10	<u>225.13</u>	<u>186.29</u>
Total		<u>34790.13</u>	<u>40727.95</u>

Schedules 1 to 10 and Notes on accounts form part of this Balance Sheet.

As per our report of even date attached
 For **Reddy, Goud & Janardhan**
 Chartered Accountants
Balakrishna S Bhat
 Partner, Membership No. 202976
 Coimbatore, 27th May, 2009

A S Thirumoorthy
 Vice President - Finance & CFO

For and on behalf of the Board
Vidyaprakash D
 Chairman
Sumanth Ramamurthi
 Managing Director
T V Thulsidass
 Company Secretary


Profit and Loss Account for the year ended 31st March, 2009

		Rs. Lakhs	
	Schedule	31.03.2009	31.03.2008
Income			
Sales	11	36644.79	39215.26
Other Income	12	272.73	796.73
Inc / Dec (-) in Stock of Finished Goods	13	(44.90)	567.05
		<u>36872.62</u>	<u>40579.04</u>
Expenditure			
Raw Materials	14	20241.94	20548.26
Salaries & Wages	15	3608.39	3197.95
Power & Fuel		3055.22	3472.60
Stores		1438.89	1304.71
Repairs & Maintenance	16	658.69	941.21
Processing Charges		3008.62	3589.59
Selling Expenses	17	1561.03	1873.77
Administrative Expenses	18	1529.06	1041.01
Interest (Net)	19	2809.81	1775.79
		<u>37911.65</u>	<u>37744.89</u>
Gross Profit		(1039.03)	2834.15
Less : Depreciation		2606.71	2449.23
Profit before Tax		(3645.74)	384.92
Less : Provision for Taxation		2.00	48.00
Less : Provision for Deferred Tax		(1013.34)	92.43
Less : Provision for Fringe Benefit Tax		21.85	30.00
Profit after Tax		(2656.25)	214.49
Less : Prior year Expenses		8.25	13.24
Less : Taxes Relating to earlier years		78.08	29.38
Net Profit		(2742.58)	171.86
Add: Balance brought forward		1160.18	1102.07
Profit available for Appropriation		(1582.40)	1273.93
Appropriations			
Proposed Dividend		-	82.50
Tax on dividend		-	14.05
General Reserve		-	17.20
Balance Carried Forward		<u>(1582.40)</u>	<u>1160.18</u>
		(1582.40)	<u>1273.93</u>
Basic Earnings per share (in Rs.) Face Value of Re. 1/- per Share			
		(4.99)	0.31

Schedules 11 to 19 and Notes on accounts form part of this Profit and Loss Account.

For and on behalf of the Board

As per our report of even date attached
For **Reddy, Goud & Janardhan**
Chartered Accountants
Balakrishna S Bhat
Partner, Membership No. 202976
Coimbatore, 27th May, 2009

A S Thirumoorthy
Vice President - Finance & CFO

Vidyaprakash D
Chairman
Sumanth Ramamurthi
Managing Director
T V Thulsidass
Company Secretary



Schedules Annexed to the Accounts

	31.03.2009	Rs. Lakhs	31.03.2008
Share Capital			Schedule 1
Authorised			
10,00,00,000 Equity Shares of Re. 1/- each	<u>1000.00</u>		<u>1000.00</u>
Issued, Subscribed and Paid-up			
5,50,00,000 Equity Shares of Re.1/- each fully paid	<u>550.00</u>		<u>550.00</u>
{Note:			
(a) Of the above 2,75,00,000 equity shares of Re. 1/- each were issued as fully paid up bonus shares by capitalisation of reserves			
(b) 55,00,000 Equity shares of Rs.10/- each fully paid up were sub-divided into 5,50,00,000 Equity shares of Re.1/- each fully paid during September 2006}			
Reserves and Surplus			Schedule 2
Capital Reserve	48.19		48.19
Share Premium	1487.50		1487.50
General Reserve			
As per last Balance Sheet	9047.46	9428.93	
Less: Gratuity Transitional Liability	-	(398.67)	
Add : Transfer from Profit & Loss Account	-	17.20	
Less: Foreign exchange gain on capital assets capitalised	(430.17)	-	
Less: Profit and Loss Account	<u>(1582.40)</u>	-	
	7034.89		9047.46
Profit and Loss Account	-		1160.18
	<u>8570.58</u>		<u>11743.33</u>
Secured Loans			Schedule 3
Term Loans from Financial Institutions / Banks			
In Rupee	9555.25		11557.50
In Foreign Currency	3119.02		3362.01
Working Capital Facilities from Banks			
In Rupee	11353.45		9353.15
In Foreign Currency	-		1504.50
(Refer Notes for Security Details)			
	<u>24027.72</u>		<u>25777.16</u>
Unsecured Loans			Schedule 4
Trade deposits	40.12		42.19
Interest accrued and due on above	2.65		2.87
	<u>42.77</u>		<u>45.06</u>



Rs. Lakhs										
Fixed Assets					Schedule 5					
Gross Block					Depreciation			Net Block		
	As at 31.03.2008	Additions	Sales/ Transfers	As at 31.03.2009	Upto 31.03.2008	For the year	Withdrawn during	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land	905.74	2.83	–	908.57	–	–	–	–	908.57	905.74
Buildings	6522.68	246.54	42.41	6726.81	854.96	197.44	4.01	1048.39	5678.42	5667.72
Plant & Machinery	33385.55	793.02	175.73	34002.84	19696.39	2297.48	151.39	21842.48	12160.36	13689.16
Office Furniture & Fittings	284.45	2.08	–	286.53	100.48	15.04	–	115.52	171.01	183.97
Motor Vehicles	450.39	5.70	109.19	346.90	224.86	37.44	64.96	197.33	149.57	225.52
ERP Software	284.11	12.22	–	296.32	160.51	59.30	–	219.81	76.51	123.60
Total	41832.91	1062.39	327.32	42567.98	21037.19	2606.71	220.37	23423.53	19144.45	20795.71
Capital Work in-progress	295.60	9.39	–	304.99	–	–	–	–	304.99	295.60
Total	42128.51	1071.78	327.32	42872.97	21037.19	2606.71	220.37	23423.53	19449.44	21091.31
Previous Year	41203.70	3888.49	2963.67	42128.52	18757.90	2449.23	169.94	21037.19	21091.33	22445.80

INVESTMENTS				Schedule 6		Rs. Lakhs	
	31.03.2009	31.03.2008		31.03.2009	31.03.2008		
Trade-Unquoted - Long Term			Sundry Debtors				
9,38,000 Equity Shares of Rs.10 each			(Unsecured, considered good)				
In Andhra Pradesh Gas Power Corporation Ltd, fully paid	1293.02	1293.02	Outstanding for more than six months	262.94	321.38		
10,000 Equity Shares of Rs.10 each in OPG Energy Private Ltd, fully paid	–	1.00	Others	2139.68	2636.90		
70,420 Equity Shares of Rs.10 each in MMS Steel and Power Pvt Ltd, fully paid	7.04	7.04		2402.62	2958.28		
1525 Equity Shares of Rs.1000 each in Nethaji Apparel Park, fully paid	15.25	15.25	Cash and Bank Balances				
Non-trade-Unquoted - Long Term			(i) Cash on Hand	7.03	11.94		
29,99,592 Equity Shares of Rs.10 each in Elgi Building Products Ltd, fully paid	299.96	299.96	(ii) Cheques and Stamps on Hand	–	5.00		
70,00,000 8% Non-Cumulative Redeemable Preference shares in Elgi Building Products Ltd, fully paid	700.00	700.00	(iii) Balance with Scheduled Banks in :				
5,00,000 8% Cumulative Redeemable Preference shares in Elgi Building Products Ltd, fully paid	50.00	50.00	(a) Collection and Current account	387.11	385.76		
11,50,000 Equity Shares of Rs.10 each in Elgi Electric and Industries Ltd, fully paid	115.00	115.00	(b) Unpaid Dividend Account	21.09	19.41		
21,18,500 Equity Shares of Rs.10 each in Elgi Software And Technologies Ltd, fully paid	211.85	211.85		415.23	422.11		
5,00,000 Equity Shares of Rs. 10 each in Sara Elgi Envirotech Ltd, fully paid	50.00	50.00	Other Current Assets				
Aggregate value of unquoted investment Cost - Rs.2742.12 Lakhs	2742.12	2743.12	Interest accrued on deposits and loans	161.82	274.57		
(Previous year Rs.2743.12 Lakhs)			Income accrued and receivable	234.49	74.34		
				396.31	348.91		
Current Assets, Loans and Advances Inventories			Loans and Advances				
(As per inventory taken, valued and certified by the Management)			(Unsecured, considered good)				
Raw Materials	3317.72	6714.57	Advance recoverable in cash or in kind or for value to be received:	7111.09	6358.36		
Stock-in-process	1228.32	1733.09	Advance payment of taxes	4199.19	4107.21		
Waste Stock	34.47	175.49	Deposit with central excise and customs	284.36	394.87		
Finished Goods	2503.40	2548.30	Other Deposits	730.33	867.10		
Stores and Spares	171.65	185.52		12324.97	11727.55		
	7255.56	11356.97	Current Liabilities				
			Sundry Creditors				
			(a) Micro, Small and Medium Enterprises - Refer Note 5(i)	–	–		
			(b) Others	6059.12	5383.00		
			Other Liabilities	866.94	1260.10		
			Interest accrued but not due	80.58	42.38		
			Unclaimed Dividends	20.18	18.50		
			Provisions				
			Provision for Taxation	3009.36	2907.42		
			Provision for Gratuity	385.07	398.67		
			Proposed Dividend	–	82.50		
			Provision for Dividend Tax	–	14.05		
				10421.25	10106.61		



	Rs. Lakhs		Rs. Lakhs	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Deferred Tax		Schedule 9		Schedule 15
As per Last Balance Sheet	2612.40	2519.97		
(Less) / Add: Transfer to Profit and Loss Account	(1013.34)	92.43		
	<u>1599.06</u>	<u>2612.40</u>		
Miscellaneous Expenditure		Schedule 10		
(To the extent not written off or adjusted)				
Voluntary Retirement Compensation				
As per the last Balance Sheet	186.29	89.32		
Add : Paid during the year	265.31	214.26		
Less : Written off	226.47	117.30		
	<u>225.13</u>	<u>186.29</u>		
Sales		Schedule 11		
Yarn - Domestic	21872.46	23857.32		
Direct Exports	9908.75	11013.08		
Cotton - Trading Goods	103.55	0.21		
Garments - Domestic	403.07	431.96		
Direct Exports	1446.11	1199.76		
Fabric - Domestic	1052.56	1374.44		
Exports	160.46	44.93		
Waste - Domestic	1617.08	1124.45		
Export	0.11	73.14		
Miscellaneous Sales	86.01	103.53		
Less: Excise Duty	(5.37)	95.97		
	<u>36644.79</u>	<u>39215.26</u>		
Other Income		Schedule 12		
Insurance Claim	6.62	14.32		
Rent Receipts	15.76	16.99		
Profit on Sale of Assets (Net)	95.52	109.41		
Miscellaneous Income	154.83	138.44		
Gain on Exchange Re-instatement	-	517.56		
	<u>272.73</u>	<u>796.73</u>		
Inc / Dec (-) in stock of Finished Goods		Schedule 13		
Stock at closing	2503.40	2548.30		
Less : Stock at opening	2548.30	1981.25		
	<u>(44.90)</u>	<u>567.05</u>		
Raw Materials		Schedule 14		
Opening Stock :				
Raw Materials	6714.57	4695.53		
Stock in Process	1733.09	1973.43		
Waste Cotton	175.49	78.73	6747.69	
Add : Purchases	16199.30	22423.72		
	<u>24822.45</u>	<u>29171.41</u>		
Less: Closing Stock				
Raw Materials	3317.72	6714.57		
Stock in Process	1228.32	1733.09		
Waste Cotton	34.47	175.49	8623.15	
	<u>20241.94</u>	<u>20548.26</u>		
Salaries and Wages				
Salaries, Wages, Bonus etc.,	2901.50	2590.54		
Contribution to PF, Gratuity & Superannuation Fund	222.70	197.54		
Welfare Expenses	412.97	337.54		
Chairman's Remuneration	19.05	27.24		
Managing Director's Remuneration	27.24	27.25		
Executive Director's Remuneration	24.93	17.85		
	<u>3608.39</u>	<u>3197.95</u>		
Repairs and Maintenance		Schedule 16		
Building	45.54	106.22		
Machinery	586.31	774.32		
Others	26.84	60.67		
	<u>658.69</u>	<u>941.21</u>		
Selling Expenses		Schedule 17		
Yarn Brokerage and Commission	625.51	783.36		
Export Selling Expenses	443.46	653.21		
Performance Incentive	175.02	123.29		
Other Selling Expenses	317.04	313.91		
	<u>1561.03</u>	<u>1873.77</u>		
Administrative Expenses		Schedule 18		
Rent	13.96	22.74		
Insurance	48.66	73.42		
Postage, Telephone and Printing	81.70	88.47		
Travelling and Transport Charges	194.96	285.33		
Bank Charges & Commission, etc	98.91	92.34		
Taxes and Licence	58.91	72.79		
Professional Charges	91.69	120.45		
Auditors' Remuneration				
(a) Audit Fees	5.22	3.20		
(b) Travelling Expenses	1.15	0.17		
Director's Sitting Fees	4.99	6.09		
Loss from Forex Transactions	762.18	22.60		
Others	166.73	253.39		
	<u>1529.06</u>	<u>1041.01</u>		
Interest (Net)		Schedule 19		
Interest Expenditure				
Fixed Loans	1410.41	1066.80		
Working Capital & Others	1452.95	922.18		
	<u>2863.36</u>	<u>1988.99</u>		
Less: Interest Income	53.55	213.20		
(TDS Rs.1.19 Lakhs, Previous year - Rs.4.89Lakhs)	<u>2809.81</u>	<u>1775.79</u>		



Notes Forming Part of Accounts

SIGNIFICANT ACCOUNTING POLICIES

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. 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.

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 month 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. 5,000 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.

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.

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.

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. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

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) Sale of Goods is accounted when the risk and reward of ownership are passed on to the Customers.
- c) Domestic Sales as reported in the Profit and loss account 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.

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 Profit and Loss Account 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) Super Annuation Fund Contribution is paid according to Company rules to the Life Insurance Corporation of India and charged to revenue.
- d) Voluntary Retirement Compensation paid is written off as per the Revised Accounting Standard 15 culminating the write offs by March 2010. Consequent to this change, the loss is higher by Rs.118.19 Lakhs.

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.

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 capitalized as per Company Accounting Standards Amendment Rules, 2009 on AS 11 (G.S.R. 225(E) dated 31.03.09 issued by the Ministry of Corporate Affairs. In respect of transactions covered by Forward Exchange Contracts, the difference between the Forward Rate and Exchange Rate at the inception of the Contract is recognized 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 Profit and loss account.
- 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.

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.

12. Taxes on Income :

Tax expense comprises of Current Tax, Deferred tax and Fringe Benefit Tax(FBT). Current Tax and Deferred Tax are accounted for in accordance with Accounting Standard (AS – 22) on “Accounting for Taxes on Income”, issued by The Institute of Chartered Accountants of India (ICAI).

Current Tax is measured at the amount expected to be paid to the Tax authority used in 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 / substantively 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.

FBT is recognised in accordance with the relevant provisions of Income Tax Act, 1961 and the guidance note on FBT issued by ICAI.

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 Profit & Loss Account 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.

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.



	Rs. Lakhs	
	31.03.2009	31.03.2008
12. Earnings in foreign exchange		
Export of goods (FOB Value)	<u>11362.80</u>	<u>12139.22</u>
13. Expenditure in foreign currencies		
(a) Foreign Travel	7.48	19.22
(b) Commission	259.35	291.34
(c) Others	319.49	124.73
(d) Value of Imports-CIF Value		
(i) Raw Materials	2767.00	2284.86
(ii) Components and Spares	232.68	152.29
(iii) Capital Goods	78.95	41.69
Total	<u>3664.95</u>	<u>2914.13</u>
14. Taxes relating to earlier years include Short Provision of Income Tax amounting to Rs.78.08 Lakhs (Previous Year Rs. 29.38 Lakhs).		
15. Provision for Taxation includes amount of Rs.2 lakhs (Previous year Rs.2 lakhs) on account of Wealth Tax.		
16. Revenue Expenditure of Research and Development amounting to Rs.27.57 Lakhs (Previous Year Rs.45.48 Lakhs) is charged off in the Profit & Loss Account. No intangible / tangible asset has been generated during the year out of Research and Development activity.		
17. Computation of Net Profit under Section 349 / 350 of Companies Act, 1956		31.03.2009
		Rs. Lakhs
Loss before Tax		3645.74
LESS : (i) Depreciation as per books	2606.71	
(ii) Chairman's Remuneration	19.05	
(iii) Managing Director's Remuneration	27.24	
(iv) Executive Director's Remuneration	24.93	
(v) Sitting fees paid to Directors	<u>4.99</u>	<u>2682.92</u>
ADD : Depreciation Allowable		<u>962.82</u>
Net Loss as per Section 349 / 350 of the Companies Act, 1956		<u>2606.71</u>
		3569.53
Due to inadequacy of profits for the year, the Company has paid Minimum remuneration as set out in Part II of Schedule XIII of the Companies Act, 1956.		
		Rs. Lakhs
	31.03.2009	31.03.2008
18. Operating Lease : Premises taken on Operating Lease:		
The total future minimum lease rentals payable at the Balance Sheet date is as under:		
For a period not later than one year	16.97	3.94
19. Earnings per share : The following reflects the income and share data used in the computation of Basic Earning per share.		
Amount used as numerator		
Net profit attributable to the ordinary shareholders for Basic & Diluted Earnings per share	(2742.58)	171.86
No. of ordinary shares used as denominator applicable to Basic & Diluted earnings per share	550.00	550.00
Nominal value per share	1.00	1.00
Basic Earnings per share (in Rs.)	(4.99)	0.31
Face value of Re/- 1 per share		

20. Details of Products Manufactured, Turnover, Opening Stock, Closing Stock etc

(Figures in Lakhs)

Particulars	UoM	Year ended 31 st March	Installed Capacity per annum	Opening Stock		Production		Turnover		Closing Stock	
				Qty	Amt.	Qty	Qty	Amt.	Qty	Amt.	
Yarn & Dyed Yarn	KGS	2009	177408 Spindles 1200 rotors	13.36	2044.65	211.49	214.83	31781.21	10.02	1996.95	
		2008	177408 Spindles 1200 rotors	10.97	1817.63	247.71	245.32	35390.76	13.36	2044.65	
Weaving & Knitting	KGS	2009		0.12	26.00	6.06	5.74	1213.02	0.44	73.28	
		2008		0.56	90.63	2.14	2.58	904.14	0.12	26.00	
Garments	PCS	2009	556 Machines	2.76	225.12	12.71	12.61	1929.82	2.85	265.51	
		2008	556 Machines	1.98	73.00	12.96	12.18	1722.57	2.76	225.12	
Sale of Trading goods (Cotton)	KGS	2009						103.55			
		2008						0.21			
Grand Total		2009			2295.77			35027.60		2335.74	
		2008			1981.26			38017.68		2295.77	

Production includes 26.76 lakhs kgs (Previous year 37.54 lakhs kgs) produced through outsourcing parties.

21. Raw Material Consumption

(Figures in Lakhs)

Particulars	UoM	31.03.2009		31.03.2008	
		Quantity	Amount	Quantity	Amount
Manufacture of yarn & Dyed yarn	KGS	315.46	18966.01	346.10	19517.61
Manufacture of Woven fabrics	KGS	4.85	736.45	2.24	427.20
Manufacture of Garments	KGS	3.12	539.48	3.42	603.45
Total		323.43	20241.94	351.76	20548.26

22. The Company has implemented the Revised Accounting Standards 15 in respect of the defined benefit plan (Gratuity) with effect from 01 April 2007. The transitional liability consequent thereto has been provided in the books during the financial year ended 31.03.08.

- (a) Description of the Company's defined benefit plan: The Company operates a defined benefit 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: Rs. Lakhs

Particulars	31.03.2009	31.03.2008
Present Value of the Obligation as on 01 April	794.88	751.17
Add : Current Service Cost	39.85	39.84
Interest Cost	56.32	33.15
Actuarial Gains and Losses	(38.04)	72.22
Benefits paid	(181.80)	(101.50)
Present Value of the Obligation as on 31 st March	671.21	794.88

The Liability of the Company as on 31 March 2009 has been funded to the extent of Rs.385.07 Lakhs.

- (c) Reconciliation in respect of the changes in the fair value of the Plan Assets: Rs. Lakhs

Particulars	31.03.2009	31.03.2008
Fair Value of the Plan Assets as on 01 April	396.21	322.87
Add:		
Expected rate of return	25.99	25.83
Actuarial Gains and Losses	6.59	82.53
Contributions by the Employer	39.14	66.48
Benefits Paid	(181.80)	(101.50)
Fair Value of Plan Assets as on 31 March	286.13	396.21

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

- (d) The total expense recognised in the Profit and Loss Account is as follows: Rs. Lakhs

Particulars	31.03.2009	31.03.2008
Current Service Cost	39.85	39.84
Interest Cost	56.32	33.15
Expected return on plan assets	(25.99)	(25.83)
Actuarial Gains and Losses	(44.63)	(10.31)
Amount recognised in the Profit and Loss Account	25.55	36.85

The expense has been included under the head "Contribution to Gratuity" under the "Employee Cost" in the Profit and Loss Account.

- (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	As on 31.03.2009	As on 31.03.2008
Discount Rate	7.60%	8.00%
Expected rate of return on Plan Assets	9.30%	8.00%
Rate of escalation in Salary (per annum)	5.00%	6.50%

The estimates of rate 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 Rs. Lakhs

Particulars	31.03.2009	31.03.2008
Present Value of the Defined Benefit Obligation	671.21	794.88
Fair Value of Plan Assets	286.13	396.21
Deficit in Plan Assets	385.06	398.67
Experience Adjustments arising on Plan Liabilities as an amount	(42.03)	72.22
Experience Adjustments arising on Plan Assets as an amount	6.59	82.53
Company's best estimate of Contribution to be paid to the Plan (2009-10)	80.00	70.00

23. Deferred Tax Assets and Liabilities are attributable to the following items:

Particulars	Opening as of 01.04.2008	Charge / Credit	Closing as of 31.03.2009
Depreciation	2622.15	(252.73)	2369.42
Business Loss		(860.29)	(860.29)
Others	(9.75)	99.68	89.93
Total	2612.40	(1013.34)	1599.06

24. Loss on Sale of Assets amounting to Rs.27.92 Lakhs (Previous year Rs.4.63 lakhs) has been netted against Profit on Sale of Assets Rs.123.44 lakhs resulting in a net credit to Profit and Loss account of Rs.95.52 lakhs.

25. The Company operates in one primary segment, viz. Textiles.



26. Related Party Disclosure (as identified by the Management)

(i) Names of related parties and description of relationship

- (a) Where Control Exists :
- (b) Key Management Personnel :
1. Vidyaprakash D., Executive Chairman
 2. Sumanth Ramamurthi, Managing Director
 3. K.R.Seethapathy, Executive Director

(c) Other Related Parties :

1. Elgi Electric & Industries Ltd
2. Elgi Building Products Ltd
3. Ellargi & Co.,
4. Elgi Ultra Industries Ltd
5. Elgi Equipments Ltd
6. LRG Technologies Ltd
7. Elgitread (India) Ltd
8. Elgi Software & Technologies Ltd
9. Kakatiya Textiles Ltd
10. Sara Elgi Envirotech Ltd
11. Sara Elgi Arteriors Ltd
12. Sara Elgi Industrial Research & Devpt. Ltd
13. Super Sara Textiles Limited
14. Super Farm Products Limited
15. Sara Elgi Insurance Advisory Services P Ltd
16. Sara Trading and Industrial Services Ltd
17. Magna Electro Castings Ltd
18. Precot Meridian Ltd
19. Coimbatore Pioneer Fertilisers Ltd.
20. Vantex Ltd

(ii) Related Party Transaction

Rs. Lakhs

Nature of Transaction	Associates		Key Management Personnel		Relatives of Key Management Personnel		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Purchases of goods	94.74	133.23					94.74	133.23
Sales of goods	299.29	122.47					299.29	122.47
Purchase of Fixed Assets		11.27						11.27
Managerial Remuneration			71.22	68.04			71.22	68.04
Sitting Fees					0.10	0.85	0.10	0.85
Service Charges Paid	761.48	787.03					761.48	787.03
Leasing of Assets								
Rent Received	4.65						4.65	
Rent Paid		1.97						1.97
Amount outstanding as at year end – Dr.	4093.84	3242.61					4093.84	3242.61
Amount outstanding as at year end – Cr.	11.84						11.84	

27. Figures have been rounded off to the nearest thousand and previous year's figures have been regrouped wherever necessary to conform to current year's classification.

As per our report of even date attached

For **Reddy, Goud & Janardhan**

Chartered Accountants

Balakrishna S Bhat

Partner

Membership No. 202976

Coimbatore, 27th May, 2009

A S Thirumoorthy

Vice President - Finance & CFO

Vidyaprakash D

Chairman

Sumanth Ramamurthi

Managing Director

T V Thulsidass

Company Secretary



Cash flow statement for the year 2008-2009

	2008-2009	Rs. Lakhs	2007-2008
A. Cash Flow from operating activities :			
Net Profit before tax and extraordinary items	(3645.74)		384.92
Adjustment for :			
Depreciation	2,606.71	2,449.23	
Prior year Income / (Expenses)	(8.25)	(13.24)	
Taxes relating to earlier years	(78.08)	(29.38)	
(Profit)/Loss on sale of assets	(95.52)	(109.41)	
(Profit)/Loss on sale of investments	-	-	
(Dividend Income)	-	-	
(Interest Income)	(53.55)	(213.20)	
Interest Payments	2,863.36	1,988.99	
Leasing Charges	-	-	
	<u>5,234.66</u>		<u>4,072.99</u>
Operating Profit before working capital changes	<u>1,588.92</u>		<u>4,457.90</u>
Adjustments for :			
Trade receivables	555.66	(582.64)	
Other receivables	(552.84)	1,283.44	
Inventories	4,101.41	(2,308.13)	
Trade payables	<u>309.25</u>	<u>1,083.39</u>	
	<u>4,413.48</u>		<u>(523.94)</u>
Cash generated from operations	<u>6,002.40</u>		<u>3,933.96</u>
Voluntary Retirement Compensation	38.84	96.97	
Direct taxes paid	15.56	365.47	
	<u>54.40</u>		<u>462.44</u>
Net Cash Flow from operating activities	5,948.00		3,471.52
B Cash Flow from Investing activities :			
Purchase of fixed assets	(1,071.78)	(1,272.47)	
Capitalisation of reserves	(430.17)		
Sale of fixed assets	202.47	287.12	
Purchase of investments	-	(228.04)	
Sale of investments	1.00	-	
Dividend received	-	-	
Interest received	53.55	204.33	
Net cash used for investing activities	(1,244.93)		(1,009.06)
C Cash Flow from financing activities :			
Long term borrowings	(2,245.24)	(2,627.05)	
Interest paid	(2,863.36)	(2,002.64)	
Working capital borrowings	495.80	2,442.95	
Unsecured loans & deposits	(2.29)	(34.77)	
Dividends and Tax on Dividend paid	(94.87)	(316.41)	
Net cash flow from financing activities	(4,709.96)		(2,537.92)
Net Increase / (Decrease) in cash and cash equivalent	(6.88)		(75.46)
Cash and cash equivalents - Opening	422.11		497.56
Cash and cash equivalents - Closing	415.23		422.11

Vidyaprakash D
Chairman

Sumanth Ramamurthi
Managing Director & CEO

A S Thirumoorthy
Vice President - Finance & CFO

T V Thulsidass
Company Secretary

AUDITOR'S CERTIFICATE

We have verified the above cash flow statement of Super Spinning Mills Limited derived from the Audited Financial Statements for the years ended 31.03.2009 and 31.03.2008 and found the same to be drawn in accordance therewith and also with the requirements of clause 32 of the Listing Agreement with Stock Exchanges.

For **Reddy, Goud & Janardhan**

Chartered Accountants

Balakrishna S Bhat

Partner

Coimbatore
27th May, 2009



Balance Sheet Abstract and Company's General Business Profile

Registration Details

Registration No.	:	181-001200 / CIN - L17111TZ1962PLC001200
State Code	:	18
Balance Sheet Date	:	31.03.2009

Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	:	-
Rights Issue	:	-
Bonus Issue	:	-
Private Placement	:	-

Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	:	3479013
Total Assets	:	3479013

Sources of Funds

Paid-up Capital	:	55000
Reserves & Surplus	:	857058
Secured Loans	:	2402772
Unsecured Loans	:	4277
Deferred Tax Liability	:	159906

Application of Funds

Net Fixed Assets	:	1944944
Investments	:	274212
Net Current Assets	:	1237344
Misc. Expenditure	:	22513
Accumulated Losses	:	-

Performance of the Company (Amount in Rs. Thousands)

Turnover	:	3664479
Total Expenditure	:	4051836
Profit Before Tax	:	(364574)
Profit After Tax	:	(265625)
Earnings Per Share Rs.	:	(4.99)
Dividend Rate %	:	-

Generic Names of Three Principal Products / Services of the Company (As per monetary terms)

Item Code No. (ITC Code)	Major Product Description
5205.22 to 28	Single Yarn of Combed Fibers
5205.33	Multiple (Folder) or Cabled Yarn of Uncombed Fiber
5205.44 to 48	Multiple (Folder) or Cabled Yarn of Combed Fiber
5207.39	Processed Fabrics & Knitted Garments

As per our report of even date attached
For **Reddy, Goud & Janardhan**
Chartered Accountants
Balakrishna S Bhat
Partner
Coimbatore, 27th May, 2009

A S Thirumoorthy
Vice President – Finance & CFO

Vidyaprakash D
Chairman
Sumanth Ramamurthi
Managing Director
T V Thulsidass
Company Secretary

Super Spinning Mills Limited

Regd. Office : "ELGI TOWERS", P B 7113, 737-D, 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 47th Annual General Meeting of the Company held on Wednesday, the 23rd September, 2009 at 3.00 PM 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, if any, to the above address, quoting folio numbers.



Super Spinning Mills Limited

Regd. Office : "ELGI TOWERS", P B 7113, 737-D, GREEN FIELDS, PULIAKULAM ROAD,
COIMBATORE - 641 045

PROXY FORM

I / We..... of
..... being a Member / Members of Super Spinning Mills Ltd., hereby appointof or failing himof as my / our Proxy to attend and vote for me / us on my / our behalf at the 47th Annual General Meeting of the Company to be held on Wednesday, the 23rd September, 2009 at 3.00 PM at Ardra Convention Centre, 'Kaanchan', No. 9, North Huzur Road, Coimbatore - 641 018 and at any adjournment thereof.

Signed this day of2009

Signature.....

Affix 15 paise Revenue Stamp

Folio No.	
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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, 737-D, 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

PB # 7113, Green Fields, 737-D, Puliakulam Road, Coimbatore - 641 045, INDIA

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